

Mr. COCHRAN. I do not believe all the rumors I hear.

Mr. O'CONNOR. But the gentleman knows that.

Mr. COCHRAN. I do not know it. I read in the papers on one occasion where a million dollars was suggested.

Mr. VOORHIS of California. Will the gentleman yield to me?

Mr. COCHRAN. I yield.

Mr. VOORHIS of California. I would like to say, particularly in view of the speech I just made, that it is my understanding the reason the chairman is absent from the city is because of the illness of his mother. I feel that should be understood.

Mr. COCHRAN. I am very glad the gentleman tells me that. Certainly that is justification for any Member to be absent.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

ENROLLED BILLS SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4557. An act for the relief of the estate of Mrs. Edna B. Crook;

H. R. 4665. An act for the relief of Harry Kahn;

H. R. 5290. An act for the relief of Mrs. Eddie A. Schneider;

H. R. 5473. An act for the relief of Allene Ruhlman and John P. Ruhlman;

H. R. 5784. An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as The Municipal Court for the District of Columbia, to create The Municipal Court of Appeals for the District of Columbia, and for other purposes; and

H. R. 6005. An act to authorize cases under the Expediting Act of February 11, 1903, to be heard and determined by courts constituted in the same manner as courts constituted to hear and determine cases involving the constitutionality of acts of Congress, and further to define the powers of a district judge in certain suits.

BILLS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4557. An act for the relief of the estate of Mrs. Edna B. Crook;

H. R. 4665. An act for the relief of Harry Kahn;

H. R. 5290. An act for the relief of Mrs. Eddie A. Schneider;

H. R. 5473. An act for the relief of Allene Ruhlman and John P. Ruhlman;

H. R. 5784. An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as the Municipal Court for the District of Columbia, to create the Municipal Court of Appeals for the District of Columbia, and for other purposes; and

H. R. 6005. An act to authorize cases under the Expediting Act of February 11, 1903, to be heard and determined by courts constituted in the same manner as courts constituted to hear and determine cases involving the constitutionality of acts of Congress, and further to define the powers of a district judge in certain suits.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 31, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

Subcommittee No. 3 of the Committee on the Judiciary will hold hearings on the following bills on Thursday, April 2, 1942, at 10 a. m., room 346 House Office Building:

H. R. 5218, to confer jurisdiction on the United States courts in cases involving work stoppages, and for other purposes;

H. R. 5259 and H. R. 6752, to confer jurisdiction in the United States courts in cases involving work stoppage for illegitimate and nonlabor purposes;

H. R. 6872, to amend the act entitled "An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation," approved June 18, 1934; and

H. R. 6702, to provide for the appointment of a district judge for the northern district of California in order to fill a vacancy in the office of an additional district judge heretofore authorized for such district.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, April 14, 1942. Business to be considered: Hearings along the line of the Sanders bill, H. R. 5497, and other matters connected with the Federal Communications Commission.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1540. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting the Thirty-second Annual Report of the Boy Scouts of America (H. Doc. No. 517); to the Committee on Education and ordered to be printed with illustrations.

1541. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the Secretary of War to designate the titles of certain offices and departments of instruction at the United States Military Academy; to the Committee on Military Affairs.

1542. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 20, 1941, submitting a report, together with accompanying papers and an illustration, on a review of the reports on the Knife River Harbor, Minn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on May 4, 1939 (H. Doc. No. 636); to the Committee on Rivers and Harbors and ordered to be printed with an illustration.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. KRAMER:

H. R. 6880. A bill to amend the act relating to preventing the publication of inventions in the national interest, and for other purposes; to the Committee on Patents.

By Mr. MILLS of Arkansas:

H. R. 6881. A bill amending the Emergency Price Control Act of 1942 to include provisions relating to inflationary wage and salary increases; to the Committee on Banking and Currency.

By Mr. REES of Kansas:

H. R. 6882. A bill limiting the profits which may be derived from contracts with the United States; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 6883. A bill to provide that World War veterans serving in the land or naval forces during the present war shall be given the highest rank, grade, or rating held by them during the World War, and for other purposes; to the Committee on Military Affairs.

By Mr. ENGLEBRIGHT:

H. R. 6884. A bill to authorize the exchange of certain patented lands in the Death Valley National Monument for Government lands in the monument; to the Committee on the Public Lands.

By Mr. BARNES:

H. J. Res. 301. Joint resolution for the right of men in service to vote; to the Committee on Election of President, Vice President, and Representatives in Congress.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2635. By the SPEAKER: Petition of the mayor of Ridgeland and a mass meeting of Jasper County, S. C., petitioning consideration of their resolution with reference to all-out war effort; to the Committee on Military Affairs.

2636. Also, petition of the Norfolk Council of the American Legion, Norfolk, Va., petitioning consideration of their resolution with reference to a continental defense force for the United States of America; to the Committee on Military Affairs.

SENATE

TUESDAY, MARCH 31, 1942

(Legislative day of Monday, March 30, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Chaplain, the Very Reverend Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, whose devoted children we are, continue, we pray, Thy long enduring, Thy striving with us, till at length, ceasing to be Thy burden, we become Thy rest and joy. Give to us faith in the greatness of man; faith in the things that are within, of which Thou art the source and the center; faith in the eternal kingdom of justice and love, that we may cherish those instincts of heart that constrain us to prayer, that speak of a hidden world with a light beyond and constantly avouch a Fatherhood divine.

And now we bless Thee for the power of goodness that still remaineth in us, for the Spirit from above that ceaseth not to strive against our flesh; we bless Thee for the men whose quiet thought and effort do gradually prevail o'er the noisy clamor of the crowd, and for the hearts that burn with holy zeal while

multitudes sit down to eat and drink and play. Do Thou grant us that wisdom acquired from the humiliation of defeat, the resolution always to be true by refusing to entertain in our minds any unworthy or distracting thoughts that may seek entrance there, that we in all things may worthily magnify Thy holy Name, through Christ Our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 30, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting a judicial nomination, was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2339) to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through service with the Allied Forces of the United States during the first or second World War, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Mahoney
Andrews	Glass	Overton
Austin	Green	Pepper
Bailey	Guffy	Radcliffe
Ball	Gurney	Reed
Bankhead	Hayden	Reynolds
Barbour	Herring	Rosier
Barkley	Hill	Russell
Bone	Holman	Schwartz
Brooks	Hughes	Shipstead
Brown	Johnson, Calif.	Smathers
Bulow	Johnson, Colo.	Smith
Bunker	Kilgore	Spencer
Burton	La Follette	Stewart
Butler	Langer	Taft
Byrd	Lee	Thomas, Idaho
Capper	Lucas	Thomas, Okla.
Caraway	McCarran	Thomas, Utah
Chandler	McFarland	Tobey
Chavez	McKellar	Tunnell
Clark, Idaho	McNary	Tydings
Clark, Mo.	Maloney	Vandenberg
Connally	Maybank	Van Nuys
Danaher	Mead	Wagner
Davis	Millikin	Walsh
Doxey	Murdock	Wheeler
Ellender	Murray	Wiley
George	Nye	Willis
Gerry	O'Daniel	

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from California [Mr. DOWNEY], the Senator from Missouri [Mr. TRUMAN], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. McNARY. I announce that the Senator from Nebraska [Mr. NORRIS] is absent because of illness.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent as a result of an injury and illness.

The Senator from Maine [Mr. BREWSTER] and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented and referred as indicated:

By the VICE PRESIDENT:

A resolution of the House of Representatives of the State of Mississippi; to the Committee on Education and Labor:

"House Resolution 38

"Resolution memorializing the United States Congress to suspend 40-hour week for duration of national emergency

"Whereas the totalitarian powers, with a decided purpose to destroy democracy through the world in order to establish a regime of violence and oppression, have extended their devastating war to the American hemisphere; and

"Whereas after the brutal and ruthless attack on the naval base of Pearl Harbor and the Philippine Islands the Congress of the United States declared the existence of a state of war with totalitarian powers; and

"Whereas in the present conflict, which at this time already includes all the nations of the earth, the fate of democracy in the world is involved, and all free nations being bound in common effort to insure its subsistence in order to save with it the conquests of civilization, the spiritual values of humanity, and the right of man to liberty, security, and peace; and

"Whereas the people of America are ready to make the utmost contribution of men and effort and to suffer whatever sacrifices may be necessary in order to defeat totalitarian powers definitely and permanently; and

"Whereas the youth of America, comprising our armed forces now engaged in life and death struggle with the enemy, are in desperate need of the arms and munitions of war with which to bring about our complete victory; and

"Whereas the 40-hour workweek is impeding the manufacture of such arms and munitions necessary for our armed forces to defend our country: Now, therefore, be it

"Resolved by the House of Representatives of the State of Mississippi, That we urge the Congress of the United States to take immediate and vigorous action to suspend present 40-hour-week law for the duration of national emergency; that no extra rate of pay be made for overtime work, and by limiting the profits of all national defense industries to 6 percent: *Provided, further,* That on all negotiated contracts for construction of camps, cantonments, and other defense projects that profits of not more than 1 percent shall be paid to those who are awarded the contracts; be it further

"Resolved, That copies of this resolution be sent to the Clerk of the House of Representatives and the Secretary of the Senate of the United States Congress and to the President of the United States."

By Mr. CAPPER:

A telegram embodying resolutions adopted by the Crawford County Medical Society, Pittsburg, Kans., favoring full and prompt mass production of all war materials and the elimination of all barriers, whether individual or group, which may interfere with the maximum production of such materials for the war effort; to the Committee on Education and Labor.

By Mr. VANDENBERG:

A memorial of sundry citizens of Grand Rapids, Mich., remonstrating against the al-

leged destruction by governmental order of 2,000,000 acres of wheat in the State of Kansas; to the Committee on Agriculture and Forestry.

A memorial of sundry citizens of Dickinson County, Mich., remonstrating against the enactment of any legislation which may propose to restrict the sale of beer around military camps, stations, etc.; ordered to lie on the table.

Petitions, numerous signed, of sundry citizens of the State of Michigan, praying for the prompt enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS—MEMORIALS

Mr. LA FOLLETTE. Mr. President, I ask consent to present sundry memorials signed by numerous citizens of Wisconsin. I ask that the body of one of the memorials, all of which are identical, may be printed in the Record, and that the memorials be appropriately disposed of.

There being no objection, the memorials were ordered to lie on the table and the body of one of the memorials, without the signatures attached thereto, was ordered to be printed in the Record, as follows:

To the Congress of the United States:

Whereas certain bills (notably S. 860 and H. R. 4000) have been introduced into Congress, to provide for the common defense in relation to the sale of alcoholic liquors to members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; and

Whereas military authorities now possess all necessary power to control the sale of alcoholic beverages to members of the land and naval forces; and

Whereas certain sections of these bills are, we believe, unconstitutional; and

Whereas the control of alcoholic beverages and the control of prostitution are unrelated, and therefore ought not to be combined in one piece of legislation; and

Whereas we believe the enactment of these bills into law would establish an unwise and dangerous precedent, and would be opposed to the general welfare of citizens of the several States and obstructive to the common defense of the United States:

We the undersigned, citizens of Wisconsin, respectfully request that these bills be reported unfavorably.

NECESSITY OF SUPREME EFFORT IN WAR PRODUCTION—VIEWS OF CRAWFORD COUNTY (KANS.) MEDICAL SOCIETY

Mr. REED. Mr. President, I have a telegram, in the nature of a memorial, from the Crawford County Medical Society, Pittsburg, Kans. I desire to read the telegram and afterward to comment on it briefly. The telegram is as follows:

MARCH 27, 1942.

HON. CLYDE REED,
United States Senator,
Washington, D. C.:

The Crawford County Medical Society, Pittsburg, Kans., in regular meeting, with a membership of 53 doctors, and 100 percent of the doctors in Crawford County, Kans., wish to express to you our views and opinions relative to the effort necessary for prompt mass production of war materials.

We think we can justly expect you, by reason of your official position, to aid in providing laws to prevent excessive profit to

manufacturers engaged in producing war materials, whose greed and avarice excel their patriotic duties.

We think you should aid in legislation to insure labor a fair wage and working conditions, but should also include in such legislation penalty for suspensions, strikes, and "slow ups" in defense industries; and since the wage-hour law was a peacetime measure and we are now at war, this law should be suspended during the emergency.

We think a union card should not be necessary for employment in any defense industry; this is war; such practice in peacetime may be permissible; in preparation for war it is detrimental. A union card has not been deemed necessary to procure admission to the Army or Navy.

We think Government officials or officers who negotiate contracts with industry, permitting excessive profit, should be punished by law and punished now.

We think all social and economic gains sought or attained in time of peace are of secondary importance, if such gains are incompatible with all-out mass production, and that no one individual or group of persons should be permitted to interfere with maximum production.

We think the above views expressed are those felt by the great majority of persons in this particular section of the State, and that these opinions have been formed by us and others from official reports, military and civil, from reading, and from mediation, and that they have not been influenced in any way by any chamber of commerce, organized labor, manufacturers' associations, or political affiliations.

CRAWFORD COUNTY MEDICAL
SOCIETY OF KANSAS,
C. D. BELL, M. D., Secretary.

I offer this for the RECORD, Mr. President, because of what has been said about the thousands of letters and telegrams which are coming to all Members of the Senate being instigated by the United States Chamber of Commerce, the National Association of Manufacturers, or some other organization of the kind. This telegram presents the clearest statement I have had from any source. I think it reflects fairly the sentiment of the overwhelming majority of the people in my section of the United States toward the necessity of full speed ahead in war production.

These people are exercising their right of petition. They are impatient; there is a bitter feeling running through much of the correspondence we receive. But, after all, these writers are expressing their earnest desire that we proceed with all-out production without regard to any minority group, whether it be of capital or whether it be of labor. The tone of their telegrams and letters is not, perhaps, always one of patience, but, again, they are not only within their rights but are rendering a needed public service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TYDINGS, from the Committee on Territories and Insular Affairs:

H. R. 5962. A bill to ratify and confirm Act 20 of the Special Session Laws of Hawaii, 1941, extending the time within which revenue bonds may be issued and delivered under Act 174 of the Session Laws of Hawaii, 1935; without amendment (Rept. No. 1231); and

H. R. 6166. A bill to approve Act No. 70 of the Special Session Laws of Hawaii, 1941, reducing the rate of interest on loans and providing for the reamortization of indebted-

ness to the Farm Loan Board; without amendment (Rept. No. 1232).

By Mr. BROWN, from the Committee on Banking and Currency:

S. 1603. A bill to provide for the extension of banking facilities at military reservations and at navy yards and stations, and for other purposes; without amendment (Rept. No. 1233).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 2416. A bill providing for the transfer to the reclamation fund, and waiving of interest upon, Government-owned bonds, notes, and other obligations of drainage, irrigation, and reclamation districts; to the Committee on Irrigation and Reclamation.

By Mr. BARBOUR:

S. 2417. A bill to assure to all persons within the District of Columbia full and equal privileges of places of public accommodation, resort, entertainment, and amusement, and for other purposes; to the Committee on the District of Columbia.

By Mr. McNARY:

S. 2418. A bill to provide for the conservation of fish and wildlife on Indian lands, and for other purposes; and

S. 2419. A bill relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians; to the Committee on Indian Affairs.

By Mr. ANDREWS:

S. 2420. A bill for the relief of Isabelle Fuller; to the Committee on Claims.

S. 2421. A bill relating to the military status of the members of a certain company of the Florida State troops during the War with Spain; to the Committee on Military Affairs.

By Mr. REYNOLDS:

S. 2422. A bill to authorize the Secretary of War to designate the titles of certain offices and departments of instruction at the United States Military Academy; and

S. 2423. A bill to authorize the Secretary of War to approve a standard design for a service flag; to the Committee on Military Affairs.

S. 2424. A bill for the relief of Dr. B. M. Chambers and others; to the Committee on Claims.

By Mr. VAN NUYS:

S. 2425. A bill to provide for suspending the operation of provisions of law designating or recognizing any day to be a holiday, except insofar as such provisions apply to the day known and celebrated as Christmas Day, until the termination of the present wars in which the United States is engaged; to the Committee on the Judiciary.

(Mr. PEPPER introduced Senate bill 2426, which was referred to the Committee on Commerce, and appears under a separate heading.)

UNITED STATES COAST GUARD ACADEMY—CHANGE OF REFERENCE

Mr. WALSH. Mr. President, a bill (H. R. 6641) to amend the act entitled "An act to authorize the establishment of a permanent instruction staff at the United States Coast Guard Academy," approved April 16, 1937, is pending before the Committee on Commerce. A similar Senate bill is pending before the Committee on Naval Affairs, in fact, a hearing has been held on the bill by the Committee on Naval Affairs. I ask that the Committee on Commerce be discharged from the further consideration of the House bill, and that it be referred to the Committee on Naval Affairs.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the change of reference will be made.

PREFERENCE RATINGS FOR DELIVERIES OF MATERIALS FOR MINING ENTERPRISES—CHANGE OF REFERENCE

Mr. GUFFEY. Mr. President, on March 25, legislative day of March 5, Senate Resolution 232 was referred to the Committee on Mines and Mining, of which I have the honor to be chairman. This resolution was originally introduced by the senior Senator from Nevada [Mr. McCARRAN]. After consulting with him this morning we agreed that it should be referred to the Special Silver Committee, which was created on August 16, 1935. At the present time three of the original members of that committee are still in the Senate. I ask that the Committee on Mines and Mining be discharged from the further consideration of the resolution and that it be referred to the Senate Special Silver Committee.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and the change of reference will be made.

DEVELOPMENT OF MEANS TO INCREASE AIR-MINDEDNESS OF AMERICAN YOUTH

Mr. BROOKS. Mr. President, yesterday I directed a letter of inquiry to Hon. Arthur Cutts Willard, the president of the University of Illinois; also letters to the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, to get their views as to the possibility of developing at our State university not only an air field but a research laboratory to utilize the facilities, the students and the inquiring genius of the staff to develop information and train student pilots.

Everywhere in our country today we are darkening the windows under penalty in order to provide against raids from the air by enemy planes. In every office, every elevator, every room in the Government buildings of this great Capital, there is a warning and a direction sign as to what we shall do when the air raid comes.

The lessons of this war have taught us that aviation is a leading and vital element in every war maneuver. The disaster of Pearl Harbor was a demonstration of sudden deadly attack from the air. In this morning's newspaper we saw pictures vividly portraying the demolished hospital at Corregidor, pictures of the demolished house in which General MacArthur lived, pictures of the demolished officers' quarters on Corregidor, the devastated streets and the burning harbor at the Cavite Naval Base during the raid on Manila. The scenes of our sunken or burning battleships and our great bombing and pursuit planes destroyed on the ground at Pearl Harbor present a devastating reminder of the power of attack from the air.

America has finally awakened to the reality and the necessity of fast-moving, mechanized forces on land, on the sea, and in the air. We are undertaking to transform an automobile industry into an aviation industry five to six times as large as the automobile industry that preceded it, and this is to be done by denying our people automobiles in the future, or tire and parts for those they now possess.

We are moving with rapid speed to the production lines of tanks, and from a nation that built practically no ships we are undertaking the job of building more ships than any country in the world.

This war may be the longest war in history—certainly it is the most difficult for the United States to conduct of any war in which we have ever engaged. The lines of supply to Iceland, Ireland, Africa, South America, Australia, Alaska reach in every direction from two to eight thousand miles. We must develop and maintain those supply lines, but certainly we know that our ships are not safe in the presence nor within the reach of land based airplanes at the end of the journey.

Our battleships are not effective, our transports are insecure unless the sky above them is protected and dominated. And equally important, our troops cannot proceed without the overwhelming command of the sky above them, flying ahead of them on these foreign shores spreading to the far corners of the earth.

That means one thing. It means young and courageous and intelligent and educated men to man these ships, these tanks and these planes in the sky.

Our leading industrialists are already developing the greatest production and assembly lines ever known to mankind to turn out the finest planes in record time.

Surely we have learned the bitter lesson, that the finest planes on earth are no good if they are destroyed on the ground. I propose that the Senate create a special committee to investigate and to advocate methods of elementary training to be conducted and made available in every high school in the land, additional educational facilities to be provided in the cities and communities of the Nation, and through which every great university be requested and encouraged to develop a research staff for the development and encouragement of aviation and pilots.

The American boys have an advantage. Millions of them knew how to drive automobiles. Hundreds of thousands were experienced veterans in the plowing of the fields and the harvesting of the grain with huge and powerful tractors, and every boy that has plowed a field, climbed a hill, crossed a valley with a tractor is a partially educated boy for the mechanized machinery of war that travels on the ground. Every normal boy can handle that kind of a machine, but it takes the finest of eyesight and hearing, steady nerves, and sturdy bodies to pilot a ship 400 miles an hour through the air. It is like putting a young man inside a steel jacketed bullet and sending him to travel at a speed unheard of before.

The experience of every aviation school in eliminating vast numbers who are less capable has proven that the bottleneck tomorrow will be the lack of experienced, trained pilots. We can talk about training pilots in a few months, but for the master ships it takes 2 years of intensive training thoroughly to equip men to fly to victory against an armed flying enemy in the varied atmospheric and climatic conditions throughout the world. Information, advance study, preliminary opportunity should be made available in every educational institution in the coun-

try, for aviation will be not only a leading essential element in winning this war, but aviation will determine the future of the world.

Instead of training our boys to goose-step on the ground, let us train them to fly like the eagles in the sky, flying for American liberty. Now is the time—not tomorrow, not next year—but now is the time for the Senate of the United States to take the lead in encouraging this essential training of the youth of our country before they reach the Army, Navy, or Marine Corps.

Our whole national course was changed by the sinking of our ships and the sinking of our dominance of the Pacific at Pearl Harbor. While we black out our windows and hide in the darkness in our cities of this land of free men, let us know at least that we are doing everything that it is possible to do to encourage, to educate, to develop the finest flyers in the world, to clear the sky not only over our homes but over the soldiers and the sailors that represent America at the future far-flung battle lines of this war.

The Panama Canal and the Sault Ste. Marie Canal are not safe unless we control the sky above them. The great cities of our country, the great railroad centers, the great railroad bridges, the great airplane factories, the great tank and munitions factories are not safe in America unless we can control the sky above them. Our tankers and our sailors burning in oil within sight of our shore furnish tragic evidence of our lack of protection and detection in the air. Whether it is for war or the future leadership of the peace of the world, aviation will either darken or lighten the sky above free men.

We have heard much talk about erecting a great building for the dissemination of figures and facts about our Government. We had better devote a large portion of that building, with the cooperation of every existing department of our vast Government, to developing air education and dissemination of information and facts so that the dream of every boy to be a pilot, a flyer, a guardian of the skies of liberty may have the advanced aid of his Government. Let us air mind the youth of America, and aid the youth of America to clear the skies, rather than to order our citizens to hide in darkness.

I emphasize again, this immediate education and development of it in every school and community in the land should be encouraged with the greatest possible speed and dispatch.

We owe it to the youth of our country. We owe it to ourselves.

Mr. President, I submit a resolution for the appointment of a special committee and ask that it be read for the information of the Senate, and that it be immediately considered.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution (S. Res. 233), as follows:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to

make a full and complete inquiry and study with respect to (1) the adequacy of the facilities available for the training of air pilots, ground crews, and other necessary personnel to operate, maintain, and service aircraft for the military and naval forces of the United States, (2) the adequacy of the present program for the training of such air pilots, ground crews, and other necessary personnel, (3) any action which might be taken by the legislative or the executive branches of the Government in the interest of facilitating the training of an adequate number of air pilots, ground crews, and other necessary personnel to operate, maintain, and service the aircraft now being produced and to be produced for the military and naval forces of the United States, and (4) the extent to which the facilities of the colleges, universities, and other institutions of learning in the United States are being used, and might be used, for the purpose of training such air pilots, ground crews, and other necessary personnel. The committee shall report to the Senate, as soon as practicable, the results of its inquiry and study together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings in open or executive sessions, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh Congress, to employ such clerical and other assistants, to require by subpoena, or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to make such investigations, to administer such oaths, to take such testimony, and to incur such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. The Senator from Illinois has asked for immediate consideration of his resolution. Is there objection?

Mr. HAYDEN. Mr. President, I have not had an opportunity even to hear the text of the resolution. It seems to me that a resolution of such length ought not to be considered without reference to a committee.

The VICE PRESIDENT. Objection is heard. The resolution submitted by the Senator from Illinois will be referred to the Committee on Commerce.

SENATOR FROM NORTH DAKOTA—STATEMENT BY SENATOR BROWN

[Mr. BROWN asked and obtained leave to have printed in the RECORD a statement prepared by him on the Langer case, which appears in the Appendix.]

THE MOTTO: REMEMBER PEARL HARBOR!—UNIQUE MONEY-RAISING PLAN FROM EWING, TEX., TO HELP UNCLE SAM

Mr. O'DANIEL. Mr. President, I should like to call the attention of Senators for just a moment to the beautiful hand-made motto hanging on the wall of the Senate Chamber, which reads "Remember Pearl Harbor!" This motto was sent to me by some of the good people in Texas who have originated a unique plan for raising money to help Uncle Sam. I believe I can best explain the idea by

reading the letter which came with the motto.

The letter comes from Hans Weber, store manager of the Angelina Hardwood Co., at Ewing, Tex., and reads as follows:

EWING, TEX., March 18, 1942.

HON. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR: Enclosed with this letter is a money order for \$45, which is to be used as a donation for national defense. The money was collected by a method which I think should be used as a Nation-wide campaign. For this reason I am also sending to you the board, etc., which will give you the complete information as to how and when the money was collected. For your information, I should like to give you some details.

I am store manager for the Angelina Hardwood Co. at Ewing, Tex.

The board, with marked holes, was placed on our counter, and within 4 days the tacks were sold for 10 and 25 cents each. About 75 percent of the town population responded cheerfully.

I discussed this matter with Mr. E. L. Kurth, president of the Angelina Hardwood Co., and he, too, was of the opinion that the idea should be adopted as a Nation-wide campaign, with a national organization acting as sponsor.

Similar signs, with varied national slogans, could be placed in all schools, colleges, and other public places. Also the donations could be varied from 5 cents up to \$5 a tack or more. After a sign is finished, the money could be collected through sponsoring organizations, and the sign becomes the property of the school or the business place as a memorial for years to come.

To protect this method against mishandling, each sign should have a mark of approval on it, and each giver should register in a book attached to the sign the amount he or she has donated.

Again, I should like to inform you that, according to the response at my little home town, Ewing, this idea will continually bring in donations from all parts of the country. I should like to quote you a little slogan of my own which could possibly be used to advertise and encourage the people, especially boys and girls in schools and colleges:

"The way to help our fighting men is to give some money to Uncle Sam; deny yourself some pleasures and furs in order to help our fighting sons."

As a citizen of Angelina County and of the State of Texas, I will appreciate it very much if you will present and outline the whole matter to our honorable President in order to make this Nation-wide campaign come true.

According to my opinion, the American Legion should be the best-fitted organization to sponsor the drive.

I will be very glad to devote my entire time to help put this program over, if necessary.

After you have looked into the matter thoroughly, I would appreciate it very much if you will return the sign to me.

Thank you very much.

Respectfully yours,

HANS WEBER,
Store Manager, Angelina Hardwood Co.

Mr. President, with this letter is a money order for \$45, made payable to me. I have endorsed it to the Treasurer of the United States. This may be a small amount, but, nevertheless, it is cash money, and comes from a small town—a town of perhaps 50 population. If the idea were spread over the entire Nation it would bring in a large amount of money. It is not money with which to buy Defense bonds. It is money which the citizens of that small town have do-

nated to Uncle Sam to go into the Treasury to help take care of the enormous expense the Government is incurring in the prosecution of the war.

I brought this motto with me today in order that Senators might see it and become acquainted with the idea, in case they have any means of transmitting the plan to the people in other sections of the country. It might prove to be a very good thing.

REPORT ON TRANSPORT AIRCRAFT PRODUCTION AND PLANS

Mr. McCARRAN. Mr. President, yesterday during the call of the calendar for the consideration of measures to which there was no objection, Senate Resolution 228 was agreed to. I was absent from the Chamber in attendance upon a meeting of the Committee on Appropriations at the time. I had intended to offer to the resolution an amendment which was satisfactory to the author of the measure. I therefore ask that the vote by which the resolution was agreed to be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. McNARY. What is the resolution to which the Senator refers?

Mr. McCARRAN. A resolution offered by the Senator from Georgia [Mr. GEORGE] providing for an investigation with reference to certain activities of the Civil Aeronautics Authority. I now offer the amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 10, after the word "rate", it is proposed to insert "(including the steps the Board contemplates taking with respect to the issuance under section 401 of the Civil Aeronautics Act of 1938, of certificates to air carriers who were not engaged in air transportation on the date of enactment of such act)."

The amendment was agreed to.

The resolution as amended was agreed to.

EQUALIZATION OF PAY RATES OF ARMY, NAVY, PHILIPPINE SCOUTS, AND PHILIPPINE COMMONWEALTH ARMY

Mr. WALSH. Mr. President, yesterday the Senate passed the bill (S. 2387) to authorize the Secretary of War to equalize the rates of pay of the personnel of the Philippine Scouts, the Philippine Commonwealth Army, and for other purposes. The authority given in the bill to the Secretary of War is desired by the Secretary of the Navy in cases where there can be a readjustment of the pay of citizens of the Philippine Islands who are in the Navy. Under the present law they are paid only one-half as much as is paid persons who are American citizens doing corresponding work in the Navy.

I ask that the vote by which the bill was read the third time and passed be reconsidered. Then I will ask that the amendment I have sent to the desk be agreed to.

The VICE PRESIDENT. Is there objection to reconsideration of the vote whereby the bill was ordered to be engrossed for a third reading, read the

third time, and passed? The Chair hears none, and the votes are reconsidered.

Mr. WALSH. Mr. President, I now submit the amendment which is at the desk, and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add the following new section:

Sec. 2. The first sentence of paragraph 3 of section 10 of the act approved June 10, 1922 (42 Stat. 630; 37 U. S. C. 16), is hereby amended by adding the following proviso at the end thereof: "Provided, That in time of war the Secretary of the Navy is authorized to increase such rates of pay not to exceed those prescribed in paragraph 1 of section 10 of said act for enlisted men in corresponding ratings."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to equalize the rates of pay of all personnel in the United States Army, the Navy, the Philippine Scouts, and the Philippine Commonwealth Army, and for other purposes."

CAPITOL CITY LODGE, NO. 354, INTERNATIONAL ASSOCIATION OF MACHINISTS—CONTRIBUTION TO WAR EFFORT

Mr. DANAHER. Mr. President, under date of March 28 I received a letter from Mr. Peter Tracy, of Hartford, Conn., who is secretary of the Capitol City Lodge of the International Association of Machinists. It is a most interesting letter, it seems to me, and, since it reflects something of the poignancy and the ambitions and the thinking of defense workers in the serious crisis confronting the Nation, I ask unanimous consent that it be incorporated in full in the RECORD. I commend it to the thoughtful consideration of Senators.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL ASSOCIATION OF MACHINISTS,
CAPITOL CITY LODGE, NO. 354,
Hartford, Conn., March 28, 1942.

HON. JOHN A. DANAHER,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Eleven months ago, upon the request of our employers, we increased our working hours from 40 per week to 50 per week. Three months ago, upon the plea that more working hours were necessary to win the war, we decided to work 9 hours on Saturdays. This brought us up to a 59-hour week.

We are paid time and one-half for all over 8 hours per day and for all time worked on Saturdays. This gives us an extra hour's pay for each 10-hour day and $4\frac{1}{2}$ hours' extra pay for working on Saturdays—a little better than a 16-percent bonus for whatever we have taken out of ourselves and put into our job.

Something does come out of us. From July 1, 1941, up to March 21, 1942, 53 members of our group reporting unemployment because of sickness lost 1,559 days. May God grant that will be their only loss; that they will regain their health and return to their jobs in defense of home and country.

This is not a new experience for us. Nearly all of our group were at it 25 years ago—some right here on the war-production line, and

a great many others "over there" in the depth of humanity's wasted purgatory.

We pledge our all that the present effort shall not be wasted, that our country shall win this war, and that brotherhood, not greed, shall rule.

We hope and pray that the Congress will spare us the added burden of fighting some selfish employers, who are seeking achievement of their own special gains and inspiration to such ends through the repeal of humane labor laws.

With best wishes, I am,
Sincerely yours,

PETER TRACY, Secretary.

THE EARLY OPENING OF GREAT LAKES TRANSPORTATION

Mr. BROWN. Mr. President, I wish to call the attention of the Senate to a matter which should be of great interest to all. We hear much criticism today that certain people and organizations fail to contribute their energy and activity to the war effort, so that when I learn of a fine task accomplished by cooperation of private business and Government, as has happened in the Great Lakes region recently in iron-ore transportation, I feel impelled to refer to it briefly.

The Great Lakes are closed by heavy ice from 3 to 4 months of the year. The Cleveland Cliffs Iron Co. steamer *Sheadle* broke through the ice jam this year about 2 weeks earlier than was ever done before in this century. That means that we will bring down from two to five million tons more of iron ore than we would with an average opening date. This means that the bombers and the bombs, the ships, and munitions, whose construction and manufacture are dependent upon this ore transportation, will be completed that much earlier.

Mr. President, I wish to congratulate the Cleveland Cliffs Iron Co., one of the old historic companies of the Lakes; I wish to congratulate Captain Hayward, of Detroit, and his valiant crew in thus opening up the transportation of this vital artery so much earlier this year than usual; and also I commend the Lake Carriers Association. I want to thank the Coast Guard, the Michigan State Highway Department, which loaned its great ice crusher, the steamer *St. Marie*, and her Capt. Paddy Brown and his crew. All contributed to this result.

Mr. President, we in the Senate have little conception of the importance of this great artery of trade, and I take this opportunity of thus calling to the attention of the Senate the earliest opening of Great Lakes trade in the last 40 years.

UNITY IN THE WAR PROGRAM

Mr. BYRD. Mr. President, I have a high respect for the leader of the Senate, the distinguished Senator from Kentucky [Mr. BARKLEY], but I emphatically disagree with him in the statements which he made on the floor of the Senate yesterday to the effect that a full and frank discussion of the labor situation, as affecting our national preparedness program, would disturb our national unity. To the contrary, I believe that a national labor policy adopted by Congress would do much to unite the people of America in the common effort and the common sacrifice which we must make to win this war.* We should

frankly face the fact that today there exists in America, in this very critical hour, more disunity as to the progress of our military preparedness, more conflicting opinions, and a greater criticism of all branches of our Government than has heretofore existed since perhaps the very formation of our Republic. We are united, thank God, in our determination to win the war regardless of the cost. Our very existence as free people depends upon our victory. After all, this is a democracy, and we are fighting to preserve our democratic institutions of government, our freedom of speech, and freedom of expression. There exists today throughout the length and breadth of America, in the mountains and in the valleys, on the seashores and on the plains, an aroused and militant demand that this Nation shall be stripped for action and victory, and that every single obstacle to the attainment of victory shall be eliminated from our public and private lives. This sentiment, which comes from the very grass roots of our Nation, is to me one of the most hopeful signs that the people back home are aroused to our perils and are demanding that we in Washington do what may be necessary to place this country on a 100 percent war basis. Any effort to suppress a free discussion of these vital matters, or any effort on the part of the Senate to prevent full consideration of the measures which the people back home believe essential to our victory, would merely add to the disunity which now exists and to the criticism of governmental actions or lack of action by those back home. I do not make this statement in connection with our distinguished leader, who has never endeavored to suppress any discussion in the Senate.

After all, it is the people back home who will fight and win this war. Washington may lose the war, but those who will fight and die to preserve the liberty of America will come from every section of our great country and from every class of our population.

When the people back home hear that they have been branded as sixth columnists because of their efforts to increase the production of vital war materials and remove any and all barriers which exist to winning the war, such statements merely add to the disunity and to the criticism. As I understand, a sixth columnist is interpreted to mean one who aids the fifth columnists. Certainly, those in America who want to win this war and who want a more successful and vigorous prosecution of the war than has heretofore been the case cannot be classified as giving aid and encouragement to the fifth columnists, which is a term applied to those who are disloyal to this country, and who are aiding the enemy.

Full-page advertisements are being published headed, "Beware the sixth column"; and by implication, if not by direct statement, the body of the advertisement charges that those who are pursuing their constitutional right to advocate changes in our laws are sixth columnists. These advertisements are being paid for by one of the Nation's largest labor unions. On the same day

that the talk of sixth columnists started in Washington, the greatest modern American hero, Gen. Douglas MacArthur, said in Australia:

One cannot wage war under present conditions without the support of public opinion, which is tremendously molded by the press and other propaganda forces. Men will not fight and die without knowing what they are fighting and dying for. The care with which the enemy keeps the truth from his people and tries to incline their minds toward certain channels and to implant certain ideas shows the weight he lays upon it. In the democracies it is essential that the public should know the truth.

The sooner we in Washington, the representatives of the people, appreciate the firm determination of those we represent to remove any and all obstacles to an early victory the sooner the disunity about which we have heard so much will disappear.

The people back home are not asking a great deal of Congress. They are merely asking that if the 40-hour week interferes with production it be repealed; that if the constant bickerings between capital and labor interfere with production, they be stopped. They are saying that strikes in defense industries, even for 1 day, will not be tolerated; they are demanding that extortionate profits by those who have war contracts not be permitted; that all the frills and activities not essential to the war be dropped for the period of the emergency.

The people of America were shocked at the tragic reverses in the Pacific, and now are aware of the fact that the reverses were, in large part, at least, occasioned by lack of adequate preparedness; by the failure in the months preceding Pearl Harbor to do the things necessary to our national defense; to prevent strikes in defense industries; the failure to appoint a single head of our war production effort; and to end the fantastic confusion which existed in Washington after the fall of France, which tragic event was a warning in unmistakable terms that this Nation must be prepared to defend its liberties.

The Nation was amazed by the recent speech made by Mr. Donald Nelson, Chairman of the War Production Board, who said that we are now operating on only a 50-percent war production basis, when, on practically the same day, Sir Stafford Cripps said in England that after more than 2½ years of war, when millions of their able-bodied men were engaged in war, Germany had reached the highest level of its war production.

Instead of condemning those back home who have exercised their constitutional privilege of communicating with their elected representatives in the effort to remove any and all obstacles to the successful prosecution of the war, I think that those citizens deserve the commendation and the approval of all America. At least, they have shown that they are not complacent; that they are not living in a fool's paradise, as has so often been stated by officials of our Government. This is a healthy sign, and shows that the people are deeply concerned. It shows that they want to win this war; it shows that they are willing to make the sacrifices to do so; it shows that they

intend to control their own Government and to lead it along the path of a more vigorous and successful prosecution of the war, which is possible only by tremendously increasing our present production of military equipment.

Of course, I know that there have been some misunderstandings and misinformation on both sides. There are those who contend that our present war effort is adequate, and those who contend that it is not; but the American people, with that clear vision which preserves great democracies in an hour of desperate peril, know that everything is not right in our war-production program, that we have not and are not going forward in that program as rapidly as we should, that the obstacles must be removed. Such action they are demanding of those in authority. The American people believe that there is only one great task before our Republic today, and that is to win the war. Our people believe that every activity of the people and of the Government must be subordinated to that one purpose.

Mr. President, I think it is the duty of Congress to meet these issues squarely and to take the best action possible—action dictated by the sole and single purpose of winning the war. I firmly believe that it is the duty of Congress to adopt a definite labor policy, and that the adoption of such a policy by Congress is the only way to stop the constant bickerings and jealousies that exist between capital and labor.

I think that we should proceed with the consideration of the Connally bill. As the majority leader of the Senate said yesterday, the bill would be open to amendments covering all phases of the labor situation; and such amendments could be discussed on their merits, and a proper conclusion arrived at.

The fact that important labor measures passed by the House of Representatives have been suppressed in the Senate Committee on Education and Labor has not made a wholesome impression upon the American people. The Senate should have the right to pass on such House bills one way or the other. Instead of adding to the unity of the country, the fact that effort is being made to prevent consideration of the Connally bill is adding to disunity.

I think, too, that it is the duty of Congress to pass legislation to prohibit exorbitant profits on war contracts; and that matter can be considered in connection with the Connally bill.

MOBILIZATION OF SMALL BUSINESS FOR WAR PRODUCTION

The Senate resumed the consideration of the bill (S. 2250) to mobilize the productive facilities of small business in the interest of successful prosecution of the war, and for other purposes.

Mr. MURRAY obtained the floor.

Mr. O'DANIEL. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Montana yield to the Senator from Texas?

Mr. MURRAY. Does the Senator intend to make a speech?

Mr. O'DANIEL. No; I desire to ask a question of the Senator from Virginia.

Mr. MURRAY. Very well; I yield.

Mr. O'DANIEL. Of course, I wholeheartedly concur in everything the Senator from Virginia said in the splendid speech he has just made. I do so because I know the sentiment of the people of Texas. The effort being made by the people of Texas is not an organized one; it is an entirely spontaneous expression from the hearts of the people of their desire to have something done by Congress to speed up war production.

I should like to ask the Senator from Virginia whether he has any ideas as to how we might be able to get some labor bill on the floor of the Senate for consideration.

Mr. BYRD. I should much prefer that the bills which come before the Senate should first be considered by the appropriate committees; but if the Senate Committee on Education and Labor refuses, as it has in the past, to report important bills passed by the House, then it seems to me that the only way to get such measures before the Senate is to offer them as amendments to other pending bills. I think the questions involved are of such vital importance that they should receive committee consideration; but, in view of the attitude of the Senate Committee on Education and Labor, whereby they have suppressed for weeks and months vital and important labor legislation passed by the House of Representatives, there is no other alternative, as I view the situation, except to offer amendments on the floor to other bills.

Mr. O'DANIEL. In my State of Texas, Mr. President, the citizens attempted to hold a peaceful meeting at which to discuss this subject, but the meeting was interrupted and almost broken up by some of the representatives of the labor-leader racketeers. The citizens of Texas have almost reached the limit of human endurance. My worthy colleague the senior Senator from Texas [Mr. CONNALLY] is fully familiar with the urge that is coming from our State for some action to be taken by the Senate; and yesterday he made a valiant and powerful effort to try to bring his bill, or any other bill dealing with the labor situation, to the floor of the Senate, but his effort was unsuccessful.

However, I did hear from the majority leader on this question—

Mr. MURRAY. Mr. President, I should like to proceed to discuss the pending bill at this time. I think I have yielded for almost an hour; and if the interruptions are to continue any longer I think we should postpone consideration of the bill until next week.

Mr. O'DANIEL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana decline to yield further?

Mr. O'DANIEL. I merely desired to ask a question of the Senator from Montana bearing on his bill.

Mr. MURRAY. I think the Senator has said quite enough on the subject he is discussing. I think in the very bill now pending before the Senate I can dispose of the argument the Senator has been making this morning. Thus far today all the time has been taken up with a discussion of the proposition that the

country should devote itself to bringing about 100-percent war production. I think that the method the Senators who have just been speaking are following is not the true course to follow. They are merely drawing a red herring across the trail.

The only way to bring about complete production in this country is to organize the small business plants of the United States so that they may engage in the production of war materials.

The idea of attacking labor at this time is absolutely absurd. There are no strikes in the country. If there were any disturbance of production as a result of strikes or labor disputes of any kind, there might be some merit in the Senator's contention; but the real cause of lack of production in the country is the fact that the big corporations of the country have obtained all the contracts, and the small concerns of the country, which during the past 6 months or more have been endeavoring to get into war production, have been left entirely out of the picture.

We have in our country approximately 184,000 small concerns which for the last 6 months or more have been struggling to get contracts for the production of war materials, but they have been unable to do so.

A few moments ago the Senator from Virginia stated that about 49 percent of the productive capacity of the United States is not being utilized at the present time. The purpose of the bill now pending is to bring about complete production in the country. If the Senators who have been engaging in debate today will listen for a few moments to a presentation of the purposes of the pending bill, I think they will agree that it provides the proper way to meet the present problem of production, and not by raising an issue which has little merit, if any; for as I have said, at the present time I find in the country no disturbance of production as a result of labor troubles. Labor has entered into an agreement with industry whereby it has pledged itself to continue production without any disturbance from strikes. There are to be no strikes, and all labor disputes are to be settled by the War Labor Board which is made up of representatives of labor, of industry, and of the public. It seems to me that the Board should be given an opportunity to work out its program of cooperation, and that the country should be allowed to get down to a basis whereby full production can really be brought about in this country.

Mr. MEAD. Mr. President, will the distinguished Senator yield right there?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York?

Mr. MURRAY. I yield to the Senator from New York.

Mr. MEAD. In view of the fact that the work of the committees has been mentioned in the debate, I merely wish to point out that the pending bill comes before the Senate with the unanimous report of the Committee on Small Business, and with the favorable report of the Committee on Banking and Currency. Before those committees appeared the men responsible for production, and they favor the bill. We discussed and

conferred regarding its provisions with the men responsible for war production and for essential peace production.

I desire to say for the Committee on Education and Labor, in the absence of its chairman, that we consulted with the self-same men who are responsible for our essential peacetime production and for our essential wartime production. We conferred with all of them, with the Department of Labor, with the Secretary of War, with the Secretary of the Navy, with the head of the Maritime Commission, and with Donald Nelson and his associates. They told us, on the one hand, that the pending bill would be very helpful and, on the other hand, that there was no need for our committee to report antilabor legislation at this time. We are to a great degree relying upon the views of the men who have the sole responsibility for the country's production; and, in addition, we are considering their recommendations before our committees. In the debate relative to the pending bill we are considering their recommendations. We had the advice and counsel of those men. We have confidence in them, and we are endeavoring to augment their labors by giving them further support.

Mr. MURRAY. The Senator from New York is absolutely correct, and I desire to thank him for his very fine contribution.

Mr. O'DANIEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Texas?

Mr. MURRAY. I yield.

Mr. O'DANIEL. In discussing the bill of the Senator from Montana, Senate bill 2250, I may say that I feel very favorably inclined toward his bill; I think it is a good bill, and I intend to support it. The only reason I rose a while ago, when I was interrupted and taken off the floor, was to endeavor to find out if there was any possibility of getting some labor legislation onto the floor of the Senate without the necessity of adding it as an amendment to the pending bill. I should dislike very much to mix the two subjects in one bill, but I have been here some time and have been unable, so far, to get any labor legislation out of the committee room for consideration by the Senate. As I understand it this is a representative form of democracy. I am here representing the citizens of the State of Texas, and there is almost unanimous clamor there for some action on the labor situation, and unless I can get some promise or assurance that there will come before the Senate promptly a bill which will deal adequately with this subject, I shall be obliged to offer an amendment to the pending bill.

Mr. MURRAY. Mr. President, I say that this bill will be open to amendment, and if any Senator wants to attempt to emasculate this bill by any improper amendment of the character the Senator proposes, it is his responsibility. I can understand there may be a desire upon the part of some people in this country to destroy this effort on the part of small business to have their facilities utilized in war production.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. MURRAY. I yield.

Mr. TAFT. I merely want to suggest, on behalf of the Committee on Education and Labor, that, while I do not think they have reported the bills they should have reported, they have reported two labor bills that have been on the calendar of the Senate for over 2 months, and all that is required, if any Senator wants to take them up, is a motion to consider them. We can take up the Connally bill or the Ball bill tomorrow, or we could lay aside the pending bill and take either of them up now, if we wanted to do that.

The Ball bill "freezes" the closed shop—that is one of the important features of the Ball bill—and prescribes the proper method of negotiation and arbitration. The Connally bill "freezes" all labor relations if a plant is taken over. I do not think that is the best method of "freezing" them, but, nevertheless, those are bills which can be taken up by the Senate by a majority vote. I hope very much the Committee on Education and Labor will report some additional legislation, but, at least, we cannot blame the committee for not reporting any labor bills, for there are two before the Senate today.

Mr. O'DANIEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Texas?

Mr. MURRAY. I yield.

Mr. O'DANIEL. I wish to relieve the mind of the Senator from Montana by stating that there is no desire on my part to emasculate his bill. As I previously stated, I favor his bill; I think it is a good bill, I have no desire to emasculate it, and want to support it in every way; but, at the same time, I am pressed by my folks in Texas to secure consideration of labor legislation by the Senate; and, if there is no other way to do it, I may offer my amendments to his bill.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Washington?

Mr. MURRAY. I yield.

Mr. BONE. In the section of the country represented by the able Senator from Montana and myself there are vast deposits of alunite and magnesite, which are both highly valuable metals in this critical period. I have been trying, along with other Senators, to secure the development of those vast deposits which lie throughout the West, in Utah and other States, and particularly in my State, where we literally have mountains of alunite and magnesite. From magnesite can be made magnesium which is, in my judgment, a superior metal to aluminum in many respects, and is being widely used now by Germany in increasing amounts.

In our endeavors to have the necessary plants built, we ran into delay after delay, occasioned by the squabbles of big business holding certain patent rights. The result has been that the factories turning out airplanes have not been able to produce the number of planes which could have been built if there had been

the proper supply of the raw material we call aluminum or magnesium, and, because there has been delay in some of the big plants, there has been a bitter outcry on the part of members of the public who are not apprised of the controversy going on under the surface by holders of the patent rights. Labor has been criticized and management has been criticized for this, but these great plants stand ready to turn out the planes if they can get the big fellows to quit squabbling over their patent rights. It is time there should be a clearing of the atmosphere about this matter, and I hope some of the investigations and committee inquiries that are under way will have a very healthy tendency to relieve this picture. Complaint has been made of the Boeing Plant in Seattle but its employees are not to be charged with delays in the production of fighting airplanes, when the raw material is not available, although mountains of it lie in the ground in the Northwest and could have been developed so as to open some of these bottlenecks. It has not been the fault of either management or labor and to charge them with the failure to go ahead and utilize these patents for the defense of which our boys will lay down their lives is to put the cart before the horse, and to so distort the picture that it is twisted out of any semblance to anything rational and decent.

So I think the time has come when Congress has got to determine whether we have to have the all-out effort which has been referred to, and whether we are to use our natural resources which lie so abundantly at our very doors, and thus eliminate some of the conditions which have bedeviled all of us. A factory cannot turn out its product when it cannot get the raw material and when the men in the factory have to stand around not able to work full time. The management is bedeviled by that sort of condition.

There is a reason for it. I sat in a conference here and saw businessmen squabble over whether or not patents would be available for the manufacture of certain kinds of aluminum from alunite. I am looking at the Senator from Utah [Mr. MURDOCK]; I imagine that he, too, has heard some controversy about that. He nods his head, and says, "yes." Then, in the name of reason why should there be a controversy over the right to use any patent in this country when the lives of our boys are now to be used by us to defend the right of a man to have a patent and exercise his rights to a patent which is a monopoly granted to him by the United States Government?

I say that condition has a bad odor; it is not right; it is a reflection on all of us; and the time has come to clear the decks of this whole patent business, and determine whether a man's patent rights are more important than the welfare of the Government and the lives of our boys.

I am hopeful that even out of the bill of the Senator from Montana will grow some clarification, some more evident direction. The little business man has been shoved to one side in this country and a few great firms have had most of

the business. I can understand the impulse on the part of Army officials and Navy officials, growing out of long years of experience in contracting, to give the large contracts to the bigger business concerns, because, I suppose, they figure that they get more prompt action on the contract; but we do face the necessity here and now of deciding whether the little business man is to go out of the picture. If we are going to turn machine power to war production—and we are advised that 85 percent of our machine potential must be geared exclusively to war production—we may fail in our efforts. There is only one way to accomplish the result, and that is to bring the little business man into the orbit of this war operation. I see no better proposal than that suggested by the Senator from Montana; I wish him well in his effort, and I hope that he may be successful in doing what he seeks to accomplish.

Mr. MURRAY. I thank the Senator from Washington. He is absolutely correct. The most serious problem affecting this country is not the labor problem but the problem of saving small business enterprise. Big business has moved in and practically crowded out the little fellows all along the line. That is what has been happening in the War Production Board. The Senator from Washington has very well stated the situation. I have before me a report of the hearings before the Truman committee where Mr. Thurman Arnold appeared a short time ago and made a statement with reference to the cartel agreement made between the Standard Oil Co. and an organization in Nazi Germany. In that hearing it was also pointed out that certain practices existed in connection with the war procurement procedure of the country which must be ended. Mr. Arnold, before that committee, told a very interesting story with reference to the way in which big business was able to finagle and freeze out the small concerns that are seeking to get contracts and that are competent and capable of producing war materials in this country. I have reference to the testimony of Mr. Arnold in which he reported before the committee a few days ago some interesting facts.

The Arnold report includes several pieces of correspondence between executives of the Standard Alcohol Co., a subsidiary of Standard Oil, and makers of synthetic toluol, an indispensable ingredient of TNT. The letters and memo disclose that Standard Alcohol refused to make toluol available to one munitions company but did sell it to Du Pont.

In other words, the small plant had an opportunity to get a contract from the Government, but needed toluol, which is manufactured by the Standard Alcohol Co. They went to the Standard Alcohol Co. and asked for a price and for terms on a shipment of the toluol. Before answering the representative of the company which was seeking the contract, the representative of the Standard Alcohol Co. immediately took the matter up with his superiors, and letters passed between the subsidiary of the Standard Oil Co. and the Standard Oil Co. itself.

I wish to read the letters. The first is dated May 15, 1940, to H. W. Fisher, from James G. Park, both of the Standard subsidiary, and it reads in part as follows:

DEAR BUD: Dr. W. O. Snelling, of the Trojan Powder Co., Allentown, Pa., called yesterday and stated that he understood we were considerably ahead of other oil companies in producing synthetic toluol, and he wanted us to quote him on it and give specifications.

We immediately got in touch with Douglas Stewart (of Du Pont) and got his advice as to how the matter should be handled and he, in turn, talked to Major Harris.

Major Harris is one of the procurement officers.

It developed that Major Harris had sent the Trojan Powder Co. a bid and had told Dr. Snelling that we were preparing 20,000 gallons of synthetic toluol.

After Stewart talked with Major Harris, Harris again talked with Dr. Snelling and told him that it was a more or less private arrangement and asked him to withdraw the bid.

Mr. Stewart advised us of this situation and then suggested, as a courtesy, that we call Dr. Snelling, but to tell him nothing, as Dr. Snelling would probably withdraw the bid.

I called Dr. Snelling yesterday in reply to his inquiry, and he confirmed the fact that he understood that we had 20,000 gallons of synthetic toluol and wanted to know at what price we would sell it. I told him that as a matter of fact we did not have 1 gallon of synthetic toluol made, and even if he bid \$100 a gallon, we could not supply it at this time. I stated that we had done some work in producing synthetic toluol, but as yet had found no interest, and he seemed satisfied and stated that when he was in New York again he would drop in to see us.

STATEMENT CALLED UNWISE

Arnold's report says that attached to this letter was a memorandum marked "personal" to Fisher, the writer, and signed by R. P. Russell. The memo said:

Mr. Sadler has asked me to tell you he felt it was a bad mistake to make the statement contained in the last paragraph of the attached letter to Park. He feels it is much better to say nothing than to say something that we know isn't true.

I felt about the same.

A previous letter, dated May 3, 1940, and addressed to Fisher again, was not signed in the Arnold report. It said:

Major Harris, who is stationed at Wilmington and who is cooperating very closely with the du Pont Co. and who has worked with our people, will send out competitive bids shortly for TNT, which must be made with synthetic toluol. The du Pont Co. expects that they will get the bid; therefore, du Pont will buy synthetic toluol from us.

DU PONT GOT IT

A final letter shows that Standard Alcohol sold their toluol to the du Pont Co. It is addressed to an O. V. Tracy and signed by Standard's Park:

We have received an order from the du Pont Co. calling for two tank cars of synthetic toluol (10,000 gallons each) to meet Army specifications 50-11-38 A to be shipped to Barksdale, Wis.

The Arnold report commenting upon the letters says:

The unfortunate results of this type of close relationship between American companies on essential war production can be shown by [this] one example, and I only give this exam-

ple because it is imperative that this committee appreciate the ramifications.

That is the situation in which small business finds itself. The purpose of the bill is to change that situation and provide small business with a forum in the War Production Board to which it may go, and be enabled to get contracts for war production.

The bill is sponsored by the entire Small Business Committee, made up of myself, the Senator from Connecticut [Mr. MALONEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from New York [Mr. MEAD], the Senator from Tennessee [Mr. STEWART], the Senator from Kansas [Mr. CAPPER], and the Senator from Ohio [Mr. TAFT]. The committee reported the bill unanimously. It is probably the most nonpartisan legislative proposal ever submitted to the Senate. Every one of the members of the committee took an active part in the studies made, and participated in the preparation of the bill. The committee held extensive hearings, had before it numerous representatives of small business from all over the United States, and I am confident that the bill as worked out by the committee, when enacted, will make it possible to utilize small business to a high degree in the war production program.

Section 1 of the reported bill confers additional authority upon the Chairman of the War Production Board and makes it his duty, through a deputy to be appointed by him, to mobilize aggressively the productive capacity of all small business concerns, and to determine the means by which such concerns can be most efficiently and effectively utilized to augment war production.

The bill contains a number of provisions describing the duties of the deputy to be appointed by the Chairman of the War Production Board with a view of aiding in bringing into the war production the small business concerns of the country.

Section 2 authorizes the Chairman of the War Production Board, whenever and to the extent that he determines such action to be necessary, to provide in various ways for getting information about and utilizing for war production plants operated by small business concerns. These include the making of inventories of productive facilities, directing attention of Government officials to the productive capacity of such plants, providing for the letting of subcontracts by prime contractors, encouraging through Government contracts the conversion of such plants to war production, certifying to the Smaller War Plants Corporation established by section 4 and to the Reconstruction Finance Corporation and its subsidiaries the amount of funds necessary for such conversion.

In addition to the efforts of the War Production Board through the deputy who is to be appointed, the bill also provides for the creation of a Smaller War Plants Corporation, with a capital stock of \$100,000,000. The Smaller War Plants Corporation, which will be staffed by experts, engineers, and men capable of understanding the problems of war production, will make a study of the small

plants of the country with a view of bringing them in and enabling them to get contracts to speed up the production of war materials which are so essential in the war effort.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. BURTON. Is it the purpose to have the new corporation do any manufacturing itself, or is it merely to function through subcontractors?

Mr. MURRAY. The Smaller War Plants Corporation will merely take prime contracts, and deal them out in subcontracts to smaller concerns. As I have said, it will be staffed by men who will understand what work small plants may be able to do in connection with the war program. It will operate in connection with the War Production Board, and when the Army or the Navy is in need of certain commodities or materials necessary in the war effort, the Smaller War Plants Corporation will notify the War Department or the Navy Department, as the case may be, that it will take certain contracts and be responsible for the production of the material. It will then sublet the contracts to the smaller plants which will thus be able to contribute to the war production program.

Mr. MEAD. As I understand, the Corporation will not only act in the capacity of a prime contractor, subletting portions of the prime contracts to small businessmen but it will also fit up small business concerns so that they themselves may in some instances become prime contractors.

Mr. MURRAY. Yes; the Smaller War Plants Corporation is to be created not only for the purpose of making a study of the small plants of the country, and undertaking to utilize them in the war production effort, but it will also undertake to finance them. If they are in need of certain additional machinery or some expansion of plant, it will be empowered to finance the small concerns so they may secure the needed machinery or accomplish the necessary expansion of their plants.

The bill as first originated in the committee provided that the financing feature of the program should be carried out through the Reconstruction Finance Corporation. The bill was studied and thoroughly analyzed by the Committee on Banking and Currency, and it was finally decided that it would be more effective to have the financing powers included in the Smaller War Plants Corporation, so that when it investigated a plant and determined that it had the capacity to participate in the war program, it could at the same time determine what financing it might need, and provide such financing so as to speed up the plant's action in entering upon war production. It seemed to me and to the members of the Small Business Committee that that was the practical way to handle the matter, and the Senate Small Business Committee was unanimous in agreeing upon it.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MEAD. Another reason for having the \$100,000,000 handled by the Smaller War Plants Corporation is that it has power not only to make the loans, but it has power to purchase materials, supplies, and additional land, and to pay for plant expansion, and if in each instance the Corporation must go to the Reconstruction Finance Corporation, or some other financing agency, there would be a loss of time which would slow up production. So, in view of the fact that this Corporation has the right to buy materials, supplies, machinery, and lands, and to expand plant facilities, it was thought that if that Corporation handled the money there would be no delay in accumulating the highest possible degree of war productivity.

Mr. MURRAY. The Senator is correct. His explanation, of course, is accurate. I am sure all Senators who have studied this will agree with his conclusions.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. BURTON. So that we may have clearly in mind the method of operation and make sure that it does not duplicate existing machinery, I understand that the Smaller War Plants Corporation would help to finance small business, but once it has made that arrangement with the small concern it then turns over the loan and the financial transactions to our existing Defense Plants Corporation, and goes ahead and looks for more business to promote small business again.

Mr. MURRAY. That is true; the idea being that the Defense Plants Corporation, which is already set up in the Reconstruction Finance Corporation, has the machinery for servicing and collecting these loans.

Mr. MEAD. That is correct.

Mr. MURRAY. It would avoid the necessity of the Smaller War Plants Corporation for which we are providing, setting up a complete duplication. The collecting agency of the Corporation is already in existence. It seems to me that was a wise provision to place in the bill, because the R. F. C. has, of course, extended experience in servicing and collecting loans, and when these loans are made, as the Senator from Ohio has pointed out, they will be turned over for servicing and collection to the Defense Plants Corporation which is already set up in the Reconstruction Finance Corporation.

Mr. President, in addition to the powers of that Corporation to help small plants to convert to military production, and to get necessary material, and to expand, it is also designed to aid other small business concerns which wish to convert their plants into essential civilian production. There are many plants which, as the result of the shortage of material in the country, are unable to continue their operations. There are a number of corporations that have representatives in Washington at this very moment, who are in danger of being closed out in a very short time, because of failure to obtain essential raw materials needed in their operations.

This bill undertakes to aid those concerns so far as possible. Many of them, of course, will not be able to convert into war production, but so far as possible this bill undertakes to aid any corporation engaged in nonessential civilian production to convert its plant into essential civilian production, or into war production, whichever is most appropriate.

Mr. MEAD. Mr. President, will the Senator again yield?

Mr. MURRAY. I yield.

Mr. MEAD. I think my colleague is making a very valuable point, and one which should guide the Corporation after the bill becomes law. When the Senator makes the point that this measure does not deal solely with war productivity, but that it also deals with essential civilian productivity, I think he makes a very good point, and one that should carry weight with those who shall have in hand the enforcement of the proposed legislation. If we convert small business engaged in nonessential work into essential civilian peacetime productivity, we, of course leave other business enterprises free to produce for our military needs, and when we consider that this year we shall produce \$60,000,000,000 worth of essential peacetime goods, we find it to be essential to relieve existing plants in order that they may devote more of their time to war productivity. One way of doing that is to convert industry not now engaged in essential peacetime work, so that it will be able to do its share in that particular field. In a word, the bill deals with military productivity and also with essential civilian productivity.

Mr. MURRAY. Yes. One of the main purposes which the committee had in mind was saving the small business concerns of the country. Something had to be done, because all over the Nation they were going bankrupt. As the result of the lack of essential materials necessary in civilian production they had to close down. They were unable to get contracts from the War Department or the Navy Department, and therefore were being closed out entirely. Many of these corporations were entirely competent to take war contracts. Numbers of them sent their representatives to Washington, who went before the procurement officers and showed them that they could participate in war production.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. GEORGE. The Senator from Montana has been very much interested in, and has performed a very useful and helpful work for, the small business people of the country. I happen to know also that he has been very much interested in trying to assist those who have been engaged in one branch or the other of the automobile industry. I should like to ask the Senator if under the bill there would be some possibility of helping those who are engaged in the distribution or repair of automobiles, either by converting, where it is possible, the organization or business into a war-producing machine, or converting it into a producer of some necessary civilian products or articles?

Mr. MURRAY. I will say to the Senator from Georgia that the committee has given very serious consideration to the matters he has just mentioned. The special committee has already reported two bills designed to aid the automobile dealers and the tire dealers of the country. Those two bills are now pending before the Committee on Banking and Currency. The bill before us will itself no doubt enable some automobile dealers, by joining a number of their plants together, to secure war contracts. The two bills to which I have referred, which were reported by the special committee and are now before the Banking and Currency Committee, are directed to aiding those who are not going to be able to participate in war production, and are being curtailed as the result of the rationing orders, so they may survive the conditions which have been brought upon them as the result of the curtailment or stoppage of production of automobiles and the rationing of cars.

Mr. GEORGE. Mr. President, I am very glad to have the Senator's statement because I know he has given a great deal of time and attention to the matter, and has been of invaluable service to those engaged in the automobile business in all lines throughout the country. The Senator perhaps knows better than any other Senator on the floor the distressing condition in which the distributors and repairers of automobiles, and handlers of tires in the country, find themselves at this time.

Mr. MURRAY. I thank the Senator from Georgia. I can assure the Senator that the two bills our committee has reported, and which are now pending in the Banking and Currency Committee, have been very carefully worked out with the best expert counsel we could obtain. They were studied very carefully by our committee members, many of whom are able lawyers. They were the result of the unanimous agreement of our committee. The two Republican Senators sitting on the committee contributed very ably in working out these problems, both with respect to the bill which is now before the Senate and the two other bills to which I have referred. Every member of the committee, I wish to say, religiously attended the meetings we held, and participated actively in all our efforts to solve these problems.

I am sure that the problem of small business in the Nation is the most serious problem affecting the country, because if we permit small business to be destroyed we shall destroy the American way of life. Our democratic system was founded upon small business enterprise, and if it shall be wiped out, and if the whole field of business endeavor shall be taken over by the big monopolistic concerns of the Nation, then we shall have a totalitarian system, we shall have communism or fascism.

Mr. President, it seems to me that if Senators who are so much agitated over the labor problem would sit down for a little while and study this problem they would make up their minds that by this means they can save our country, rather than by wasting their time discussing the labor situation. There are no strikes in

labor. Labor has agreed with industry not to have any strikes during the progress of the war.

There is no need whatever for the labor legislation which is being advanced at the present time, but there is a vital need for the kind of legislation represented by the bill now pending before the Senate. If the measure is not passed, I am convinced that the Congress of the United States will be guilty of one of the greatest mistakes it ever made, and such failure to act will contribute to the complete destruction of free-competitive enterprise in this country. That is very well shown, I think, by the testimony brought out by Mr. Arnold before the Truman committee. He brought out the danger of the complete swallowing up of small business enterprises in the United States by the activities of the monopolistic institutions of the country.

Mr. BUNKER. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. BUNKER. What the Senator from Montana says about small business being important is very true. My State is very largely made up of small business. I should like to ask a question. I make this statement as a background: A friend of mine who is an automobile dealer has some \$200,000 tied up in new cars. Is it not true that the bills which are now pending before the committee would definitely deal with this question?

Mr. MURRAY. That is correct.

Mr. BUNKER. And also with the situation of tire dealers, who have tire stocks tied up?

Mr. MURRAY. That is correct.

Mr. BUNKER. The committee has performed a very valuable service to the country; and if it should succeed in solving this problem—and I have every reason to believe it will—it would solve one of the most perplexing problems of the day.

Mr. MURRAY. I thank the Senator from Nevada.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from Rhode Island.

Mr. GREEN. I do not want to add to the able presentation which the Senator from Montana has made as to the need for legislation such as is proposed; but I wish to compliment him and the committee on the admirable way in which they have planned at least a partial solution of the problem which faces the Nation. I should like to give one illustration, taken from my own State of Rhode Island, of the help which the bill would render, as an illustration of the aid which it would afford to all small businesses throughout our great country.

Rhode Island is the most highly industrialized State in the Union. In my own city of Providence, as an illustration of what I mean—I could use other illustrations—I cite the jewelry business. It is not a wartime business. Normally there are about 21,000 employees in the jewelry factories of Providence. They represent a very large part of the jewelry industry in the United States. In the neighboring State of Massachusetts there are some 5,600 employees in this indus-

try; and in the State of New Jersey only some 1,700. In Providence the employees of the jewelry industry constitute almost one-third of the total number of employees of manufacturing industries in the city.

Most of such industries are small. From the very start they have patriotically endeavored to convert their factories to the production of wartime goods. They have very consistently and patriotically refused to ask for any help which could be shown to interfere with our war-production effort. Some of them have been able to convert their factories, machinery, and organization to wartime purposes, but most of them are faced with two difficulties.

The first difficulty is that of obtaining contracts from the Government. In the second place, there is the difficulty of obtaining the means to operate, because of the reconstruction of their machinery or the new equipment which would be necessary to change the industry over. If the pending bill is passed—and I sincerely trust it may be—it will help to solve both those difficulties which stand in the way.

I have mentioned only one illustration, though many could be cited. Rhode Island is a small State which illustrates the situation in the whole United States. Small industries cannot be ignored because individually they are small in comparison with the great corporations with which they compete. In the aggregate they form a large reservoir of labor, skilled and unskilled, of machinery, and other facilities which can be used both for war production and for necessary civilian production.

As the Senator from Montana has ably said, it is necessary for the economic welfare of this country not only at the present time, during the war, but in preparation for the post-war period, that these industries be preserved. I congratulate him and the committee on this excellent effort to meet the problem.

Mr. MURRAY. I thank the Senator from Rhode Island. The committee has had considerable contact with small manufacturers from Rhode Island, and we understand the plight of his State, which is not different from that of almost every other State in the Union. The great difficulty has been in securing war contracts. As I said some time ago, witnesses came before our committee from all parts of the country and told the story of how they had made an effort to get into war production. One concern in Minneapolis, for example, has made a desperate effort. It could not remain in civilian production, and it spent thousands of dollars preparing plans for the manufacture of mess kits. Its representative came to Washington with plans and specifications of its products, as well as photographs of it, went before the procurement officers and showed them how mess kits could be made out of steel and some plastic material, thereby saving aluminum. The procurement officers told him that that was fine—that was exactly what they were looking for. The representative left the plans and specifications with the procurement officers and went away. He came back in a short

time and found that in the meantime the Department had let a large number of contracts to big corporations, using the ideas and methods which the small manufacturer had proposed.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. HUGHES. Let me add to what the Senator says that my recollection of the testimony is that the representative of the small manufacturer left with the procurement officers not only pictures and plans, but also samples. The company had manufactured a number of samples to show how well the product looked and how well it served the purpose. The articles were much cheaper than similar articles made of aluminum. Apparently the procurement officers used the samples furnished by the small manufacturer to make contracts with large corporations.

Mr. MURRAY. They used the idea which the small manufacturer had worked out.

Mr. HUGHES. And the small manufacturer received no consideration.

Mr. MURRAY. That is exactly true.

As I say, many witnesses explained the difficulty of obtaining contracts. They showed that their plants were completely equipped to take war contracts; yet small concerns have spent a large amount of time in Washington seeking contracts, but have nearly always been unable to accomplish anything.

From all the testimony which we received we finally concluded that there is only one way in which this condition can be surmounted, and that is by setting up an agency in the War Production Board which is familiar with what the Army and the Navy needs, and capable of determining what plants can participate in the manufacture of such war materials, and then spreading out this work through subcontracts to the smaller concerns. Probably many small concerns would be able to take prime contracts; and, of course, whenever that is possible they should be given prime contracts.

I shall not take the time of the Senate to refer to the testimony which was taken before the committee, but I could refer to a great many cases of small manufacturers who are well equipped to do this work, who have engineers, experts, and technicians among their personnel. They are competent and capable of taking war contracts, but they have been totally unable to secure them because of the policies and practices of the procurement officers of the Army and Navy.

This bill is not only the unanimous action of our committee, but also has the endorsement and approval of Mr. Donald Nelson, of the War Production Board, and his advisers. He feels that this may be a solution to the problem of bringing small concerns into war production. He appeared before the Banking and Currency Committee and gave testimony in approval of the proposed legislation. It seems to me that it is sound from every standpoint. It would not only enable us to bring about complete utilization of the productive capacity of the United States in the war effort, but at the same time it would save the small

business concerns of the country from bankruptcy and preserve our system of competitive enterprise. We must do either one thing or the other; we must either get new war production for these small concerns or they will be forced to the wall.

Mr. GEORGE. Mr. President, will the Senator yield so that I may ask him a question?

Mr. MURRAY. I yield.

Mr. GEORGE. I should like to know if the committee had the report submitted relative to the British treatment of the small business problem, which, I may say, I have not had an opportunity to examine.

Mr. MURRAY. Yes.

Mr. GEORGE. The committee did have the report?

Mr. MURRAY. Yes; the committee had the report before them; and it was explained by an expert, Mr. Nash, who was in charge of the financial section of the War Production Board.

Mr. GEORGE. Has not the British Government subsidized small business?

Mr. MURRAY. Yes; it has. It has utilized its small plants in war production to a very high degree.

Mr. GEORGE. Did it not do so because it recognized the fact that small business is the backbone of the whole free-enterprise system?

Mr. MURRAY. Yes.

Mr. GEORGE. And that it was necessary to subsidize small business during war conditions such as the British people have experienced, and such as we are now undergoing?

Mr. MURRAY. Yes. That is very true.

Mr. GEORGE. I desire to take this occasion to compliment the Senator from Montana [Mr. MURRAY] on the presentation of the pending measure, and to compliment the committee itself on the concept which is worked out in the proposed legislation, because it is apparent to me that it is a very definite, practical, sensible approach to the most pressing problem we have before us, so far as our domestic affairs are concerned, and likewise so far as a large part of our productivity for war purposes is concerned.

Mr. MURRAY. I thank the Senator very much. I dislike to stand here and appear to take credit for the work of the committee, because I am not entitled to it. Of course, more than a year ago I conceived the idea of bringing about such legislation, because I noticed the rapid dwindling of small business in the United States; but I desire to say here and now that the members of the committee are more responsible for the proposed legislation than I am. I think they have had vast experience in the study of the problem before us. Many of them had already been working on other bills relative to the financing of small business. The Senator from Connecticut [Mr. MALONEY], who was a member of the committee, and the Senator from New York [Mr. MEAD], who has spoken today and has shown his thorough knowledge of the subject, both were very able and helpful in working out the proposed legislation.

I wish to say that I do not think I could have been able to bring in this bill

in its present excellent form without the splendid aid which I received from the Senator from Ohio [Mr. TAFT] and the Senator from Kansas [Mr. CAPPER]. The Senator from Ohio especially was very helpful to me, and I desire to acknowledge the obligation I owe to him for his valuable assistance.

As I said some time ago, I do not think there ever was a measure brought before the Senate that was so free from partisanship as is the pending bill. Our committee was unanimous at every step. We had no difficulty in having the committee meet, because all members were earnestly interested in the work.

We also feel that we are entitled to recognize the splendid cooperation which we received from the War Production Board. Mr. Nelson, Chairman of the Board, recognized the subject matter of the bill as one of the great problems of the Nation, and he has assured us that, if the measure is enacted, he will make a wholehearted effort to put it into successful operation.

Every member of the committee, as I have said, took an active part in the work on the measure. The junior Senator from Louisiana [Mr. ELLENDER] has conducted some of the meetings for me, in my absence attending other committee meetings on one or two occasions, and has been very helpful in all our proceedings. I must say the same for the Senator from Tennessee [Mr. STEWART], who gave his full cooperation.

I do not think there is a member of the committee who has not actually worked on the bill. I want to say the same with reference to the members of the Committee on Banking and Currency.

The senior Senator from Delaware [Mr. HUGHES], who was the chairman of the subcommittee of the Committee on Banking and Currency, sat with us daily, for several days, and aided in every respect in the effort to bring about this legislation. In fact, the bill is the result of the continuous efforts of both the special committee and the Banking and Currency Committee. As finally worked out, I think the bill is a really constructive effort to solve the problem of the full utilization of small business.

Mr. BURTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Montana yield to the Senator from Ohio?

Mr. MURRAY. I yield.

Mr. BURTON. I notice that the bill provides for the authorization of an appropriation of \$100,000,000 to be subscribed for the capital stock of the corporation. Will the Senator comment on the adequacy or the inadequacy of that amount for carrying out the purposes of the bill?

Mr. MURRAY. Of course, it might not be adequate, but the recent Executive order of the President would be supplemental to the legislation. A few days ago, the President issued an Executive order in which he authorized the War Department, the Navy Department, and the Maritime Commission to make loans and discounts, advances and commitments, in order to expedite and aid in bringing about complete utilization of

small business. The President invited three members of our committee to the White House at the time when he was signing the Executive order; this acknowledged the efforts of our committee to solve the problem. My understanding is that the Executive order will greatly aid in achieving the objects we have sought to accomplish through our efforts in connection with the bill.

Mr. BURTON. It is clear, therefore, that without legislation in addition to that proposed, the aid to small business will not be limited to \$100,000,000; is that correct?

Mr. MURRAY. The aid will not necessarily be limited to \$100,000,000; no. In fact, small business may also continue to receive aid from the Reconstruction Finance Corporation, so far as possible, and from private financial circles. The bill authorizes the banking concerns of the country to participate in financing the small concerns, and I have no doubt there will be considerable financing of them through banking institutions.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. HUGHES. I understand that, in addition to what the Senator has said, the \$100,000,000 is also a revolving fund; is that correct?

Mr. MURRAY. Yes.

Mr. HUGHES. As the loans are serviced and collected, and as sums are paid in, they go back into the revolving fund; do they?

Mr. MURRAY. That is true—so that the fund becomes a continuing fund.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. BROWN. I desire to call the attention of the junior Senator from Ohio [Mr. BURTON] to section 7 of the bill, which was suggested by Mr. Jones, of the Reconstruction Finance Corporation. It is a section which very materially would change the rules which heretofore have bound the Reconstruction Finance Corporation with reference to loans. The Reconstruction Finance Corporation has been bound by language substantially to the effect that a loan must be reasonably certain of being repaid.

Under section 7 of the bill, we would amend the appropriate section of the Reconstruction Finance Corporation Act so as to read as follows:

To make loans and to purchase the obligations of any business enterprise, including, when requested by the Secretary of Commerce, subscription to the capital stock thereof, for any purpose deemed by the Corporation to be advantageous to the national defense.

Heretofore the Reconstruction Finance Corporation has been bound by a rather strict rule; that is, the necessity of being reasonably assured of repayment.

Under section 7 of the pending bill the Reconstruction Finance Corporation might loan, under any circumstances in which it found that the making of such loans might be advantageous to the national defense—a basis of loans very different from that which heretofore has

existed, and I think that the section making that provision is a very material part of the bill.

Mr. HUGHES. Mr. President, will the Senator yield to me again?

Mr. MURRAY. I yield.

Mr. HUGHES. In addition to what the Senator from Michigan has said, section 7 also provides for participation in or guaranty by the War Department or Navy Department of any such loans—a provision also desired by Mr. Jones, and needed by the Reconstruction Finance Corporation, because it would permit those departments to guarantee or participate in the loans.

Mr. MURRAY. I thank the Senator.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. BYRD. I am in entire accord with what the Senator proposes to accomplish, but I am bothered by section 4, which gives to the Corporation the power "to purchase or lease such land, to purchase, lease, build, or expand such plants." I was wondering if it would be wise to give to this Corporation the right to build new plants. I have understood that the present difficulty lies in there being perhaps too many small business operations and plants, and I was wondering whether we should give to the Corporation the right to build, to own, and to operate new plants.

If the Senator will examine the report explaining section 4, he will find that the report states:

The Corporation may also purchase or lease land—

The Corporation itself—

purchase, lease, build, or expand plants, and purchase or produce equipment, facilities, machinery, materials, or supplies to enable small business concerns to engage in essential production.

Mr. MURRAY. Of course, that is intended merely to enable a small plant having some special qualifications to participate in war work to expand its plant so as to make it possible for it to participate in the war effort.

Mr. BYRD. I am not talking about the expansion of the plant. There may be some justification for that. I am talking about the construction of new plants.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. MURRAY. I yield.

Mr. TAFT. Of course, I think the proposed construction of new plants would be absolutely nothing other than what is now being done for every large business in the country. Although it could not be done very extensively, because the amount involved is small, it is exactly what the Government is doing today; the Government is building plants and is leasing them to this company or that company, but in every case to a large corporation. We saw no reason why it might not be desirable for small corporations to have the same privilege.

Mr. BYRD. Is it the purpose of the bill to increase the number of plants in the country?

Mr. TAFT. It might well be that a small plant would be fully equipped for

certain purposes, but could not be effectively used unless an addition were built to it.

Mr. BYRD. I am not talking about additions; the bill gives corporations the right to build new plants.

Mr. MURRAY. The bill does not say "new plants."

Mr. BYRD. The bill says that the Corporation shall have the right "to purchase or lease such land, to purchase, lease, build, or expand such plants."

Mr. TAFT. I do not see how a line can be drawn between the expansion of a plant owned by the Government, and which is leased, and a new plant.

Mr. BYRD. Does the Senator from Ohio think that the small business man, in the situation in which he finds himself, will be benefited by the building of new plants? There are too many plants now, and many of them are not being operated at full capacity.

Mr. TAFT. There might be such an instance that three plants could be found to make three essential parts of a machine, but not the fourth part, and it might be found desirable to build a fourth plant.

Mr. BYRD. I have no objection to adding to an existing plant, but it seems to me to be an unwise thing to permit a Government Corporation to buy land and build new plants.

Mr. TAFT. The Defense Plants Corporation is doing exactly that thing for practically every big company in the United States. Then why it should not be done for the small companies, if it is an effective thing to do, I cannot see.

Mr. BYRD. They have a right to do it for small plants as well as big plants, have they not? This bill is for the relief, as I understand, of small business men.

Mr. TAFT. No; it is primarily for the production of additional war material.

Mr. MURRAY. Production is the main purpose sought to be achieved by the bill. It is not a question of the relief of small corporations, but it is to bring them into war production. Of course, the operation of the Corporation set up by the bill will be under the direction of Donald Nelson, the Chairman of the War Production Board, and it is assumed that he will undertake to expand a plant only upon the basis that is essential in connection with the war program.

Mr. BYRD. I thought the Senator from Montana had been working on a plan for some time to relieve the distressing situation that now confronts the small business men of the country. Is not that correct?

Mr. MURRAY. I beg the Senator's pardon.

Mr. BYRD. I thought the Senator from Montana had been working very ably and diligently to relieve the distressing situation with which small business is confronted. Is that situation going to be improved by building new plants to compete with the present small business plants?

Mr. MURRAY. If it is necessary in connection with the war program that a small plant may be utilized in the war effort, and it is essential that the plant

should be expanded or a new plant built for it to enable it to take part in the war program, of course I think it ought to be built.

Mr. BYRD. But are there not facilities for that now?

Mr. MURRAY. Apparently not.

Mr. BYRD. The Government is building plants all over the country.

Mr. MURRAY. Well, they have built enormous plants for the manufacture of airplanes, but they have found that production is slowed up because of the lack of necessary parts and materials to keep the production lines moving. It may be necessary to build some new plants in order to turn out materials necessary to keep in operation the production lines in the big plants which have already been constructed.

Mr. BYRD. But should not the question of the expansion of plants be handled by the same agency that now handles it, whether they are big plants or little plants? I do not think there should be a duplication by having another Corporation designed simply to build plants for small industry.

Mr. MURRAY. The trouble we found was that various subdivisions of the War Production Board were under the control or domination of representatives of big business. The officers of the Army and Navy also have been accustomed to dealing with big business, and the result has been that the War Production Board has been paying no attention to small business whatever, but has been allowing the War and Navy Departments to give contracts to big concerns and allowing them to expand their plants enormously, indeed, to such an extent that some of the plants cover enormous areas. After the war is over many of these plants, of course, will become obsolete and worthless.

Mr. GEORGE. Mr. President, may I suggest also, if the Senator will pardon me, that it might become necessary to build new plants for small business, particularly if there was being brought about a consolidation of facilities or equipment. There might be two or three more plants that might have some equipment, some facilities, some machinery that could be used.

Mr. MURRAY. That was suggested with reference to the facilities of automobile dealers.

Mr. GEORGE. Exactly; and it might become necessary to build a new plant outright in order to enable the consolidation to take place and the small business to enter the field of production.

Mr. ELLENDER. Mr. President—

Mr. MURRAY. I yield to the Senator from Louisiana.

Mr. ELLENDER. As I recall, during our discussion of the pending bill before our committee, one of the main reasons for proposing the formation of a Corporation was not only to create an agency to lend money but to allow the Corporation itself to enter into contracts with the Government for the production of various articles of war, and to permit the Corporation then to sublet portions of the work to smaller business. In carrying out this idea, of course, it might become necessary, as the distinguished

Senator from Ohio pointed out, to build, perhaps, an addition or even a new plant to furnish parts which small business could not at this time furnish.

Mr. MURRAY. That is true.

Mr. BROWN. Mr. President—

Mr. MURRAY. I yield to the Senator from Michigan.

Mr. BROWN. I should not want the Senator from Virginia to feel that the viewpoint he has just expressed was not presented to the Banking and Currency Committee. I, with several others in the minority—the committee stood, I think, approximately 11 to 7 or 8—was defeated in an attempt to confine the operations of the War Production Board to the operations which the Senator from Louisiana has just referred, that is, the matter of taking contracts from the Government and leaving the financing to the R. F. C. and the Defense Plants Corporation, and others, on directions from the W. P. B. I was defeated on my motion to bring that result about, and, in the interest of unity and a desire to get together, I decided not to make any fight or trouble about it on the floor of the Senate, but to go along with the majority of the committee; but many of us believe as the Senator from Virginia does.

Mr. ELLENDER. I desire to point out, if the Senator from Montana will permit me, that, on page 13 of the bill, section 4, paragraph (f), clause (4), among the powers given to this Corporation are the following:

(4) To enter into contracts with the United States Government and any department, agency, or officer thereof having procurement powers obligating the Corporation to furnish articles, equipment, supplies, or materials to the Government; and

And (5):

(5) To arrange for the performance of such contracts by letting subcontracts to small business concerns or others for the manufacture, supply, or assembly of such articles, equipment, supplies, or materials, or parts thereof, or servicing or processing in connection therewith. Such subcontracts may be let upon such terms and conditions as the Corporation may deem appropriate in accordance with such regulations as may be prescribed under section 201 of the First War Powers Act, 1941.

That language, in a nutshell, outlines the main reasons for the creation of the proposed Corporation.

All of us know that one of the main reasons why small business cannot get any of the contracts for war articles is that usually such contracts are so large that small establishments cannot handle them. Hence the creation of the Corporation provided by the bill which could enter directly into contracts with Government agencies and thereafter subcontract with small business.

Mr. President, the Committee on Small Business, of which I am a member, has held extensive hearings on the proposition of how best to aid small business. Small business has been severely handicapped during these trying times and I hope that we can afford it some relief by the enactment of the pending measure. I know of no opposition to the measure and I do hope that the Senate votes unanimously on the proposition now before us.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. As a matter of fact, the necessity for this provision of the bill very largely arises out of the fact that, as it seems to me, the War Department and R. F. C. have not wanted to do this particular work. In other words, it is easier for an Army officer to make a contract with one person. He would rather make a contract with a big company than to make contracts with a number of little companies. The War Department is not in the least interested in the survival of the small companies.

Mr. MURRAY. That is absolutely true.

Mr. CLARK of Missouri. I regret very much to say that that situation seems to have finally come to exist in the R. F. C., although previously it did not exist there. As I understand, the Senator's committee has reported this bill with the idea that it will obviate the objections which have been raised by the War Department and the R. F. C. in particular cases to putting small business concerns in the position to participate in the war-production effort. In other words, the R. F. C. has been very technical; the War Department has been extremely technical. They told thousands of small business concerns, "No; you cannot bid on this contract because you are not financed to do it until you get an approval by the R. F. C."

The R. F. C. says, "Well, we have no assurance that you will have a contract, and, therefore, under our rules, we cannot put you in a position to fulfill a contract. So there has been a vicious circle."

Let me say that I have been as much opposed to the creation of new agencies as has any other member of this body; but it seems to me that the proposition here is by the creation of an additional agency to meet the objections which have heretofore been made by the War Department, the Navy Department, the procurement services, as well as the R. F. C., to cut that vicious circle and provide an agency which can meet the objections of all concerned. Am I not correct in that?

Mr. MURRAY. The Senator has stated it very clearly. That was one of the main topics of discussion in our committee, and in the Committee on Banking and Currency, namely, the failure of the procurement officers of the Army or Navy to take any interest whatever in bringing the small corporations into war production.

Mr. CLARK of Missouri. I have no desire whatever to criticize the War Department, because each official in the Department is anxious to get all the production possible, and that is true of the war production effort in the other agencies. On the other hand, the R. F. C. has certain very technical rules which they have set up.

It seems to me that they have come to the point now where it is just as easy to get money from a bank as from the R. F. C. Nevertheless, the pending bill is designed to cut all these circuitous routes, and to establish an agency which will be able to say to little businesses, "All right, no matter what the R. F. C.

may say or what the War Department may require, we will enable you to contribute your maximum to the maximum production of the country."

Mr. MURRAY. And it is absolutely necessary that they should, in order to bring about the necessary production for the war effort.

Mr. CLARK of Missouri. It is also necessary that we set up this new agency in order that we may not have to stop production while we make a complete investigation to determine who may be at fault in all these other agencies. It is essential to set up a new agency over all, which will have authority to take care of that situation. It seems to me it will mean a saving of time.

Mr. MURRAY. I know it will.

Mr. CLARK of Missouri. And will prevent duplication of effort, still enabling the little businesses to live, and to contribute their maximum to the defense effort.

Mr. MURRAY. That is true.

Mr. MEAD. Mr. President, will the Senator from Montana yield?

Mr. MURRAY. I yield.

Mr. MEAD. The distinguished Senator from Missouri is correct in his statement that the proposed agency is to be set up in order to save time, to cut red tape, and to get the business to the small business man so that he can do his job, and make his contribution to the war effort.

The committee found that the R. F. C. was motivated by commercial banking practices, and we were anxious to put working capital on a war-production basis. So we had to provide for cutting red tape, and making some money available.

We recognize the fact that the procurement officers of the military branches of the Government had their responsibility, which was to get the contracts clear of their desks, to get them out into the going industries of the country. We recognize the fact that the W. P. B. was concerned with allocations and priorities, and that the working of priorities atrophied small business, eliminated small business. So the proposed Corporation is to be created to take over the job, to organize small business, to get the money, the contracts, the materials, and the supplies together, so that the small businesses can come in and make their contributions.

We had a very definite problem, caused by the practices which had been built up in the past, and to cut clear across those practices this new agency is really necessary.

Mr. CLARK of Missouri. Mr. President, will the Senator from Montana yield?

Mr. MURRAY. I yield.

Mr. CLARK of Missouri. I wish to refer briefly to what the Senator from New York has said. Any of us who have served in the Congress for as much as a year are very familiar with the fact that whenever an abuse grows up, either in the matter of failure to perform a function, such as the failure to make the maximum effort in the war production, or a general failure in any regard, where as many as two governmental agencies are involved, the tendency is inevitably to

pass the buck. The War Department says, "It is not our fault; it is the fault of the War Production Board." The War Production Board will say, "It is not our fault; it is the fault of the R. F. C." Thus the responsibility is passed around the circle.

The Senate had that precise situation in mind when it created the committee headed by the Senator from Montana, a committee which has made such exhaustive investigation into the subject committed to it. It is for the very purpose of taking a short cut in this buck passing between various governmental departments, which I think is inevitable in the case of departments, and I am not, therefore, criticizing—it is for the very purpose of devising a short cut in this general system of buck passing and going around the vicious circle that the Small Business Committee of the Senate was created. As I understand, that has been the principal object of the committee in presenting its report to the Senate advocating the proposed legislation.

Mr. MURRAY. The Senator is correct. Of course, the present war is the first totalitarian war we have ever fought, and the Navy and the Army heretofore have been in the habit of dealing only with big business plants. They have not found it necessary to go to small plants. They can get their contracts off their desks by dealing them out to big concerns. The result is that the material is not coming fast enough. We need more production. We need more of our productive capacity brought into the picture, and that is what we are seeking to do through the pending bill.

Mr. CLARK of Missouri. If the Senator will permit me a moment further, I heard the Senator speak a little while ago of the matter of toluol in connection with the du Pont Co.

Mr. MURRAY. Yes.

Mr. CLARK of Missouri. As a member of the Senate Committee on Munitions, I have read that the du Pont Co. was advised by the Intelligence units of the Army and the Navy that it would be preferable for the du Pont Co. to sell its secrets to prospective opponents of the United States, in one case Japan, in the other case Russia, than in any way to restrict their own production. That has been the tendency and the policy of both the War Department and the Navy Department, and I am not presently criticizing either of them for it, because they wanted to have easy access to supplies. But it seems to me that a great deal more than that is involved in the present consideration. First, there is the necessity for maximum production of all of our war necessities; and second, the necessity to keep in existence, so far as may be possible, and with every desire on the part of the Government to keep them alive, these little business concerns, which may be very useful.

I am informed that in Japan and Germany it has been found that a great deal of war production has been brought about in the homes.

Mr. MURRAY. And on the farms.

Mr. CLARK of Missouri. And on the farms, in the homes in the small towns, where some little factory may have been

able to fabricate some particular part of a machine which will enable partial production by individuals on the farms and in the homes in those countries. It seems to me we will not arrive at our maximum production until we have permitted every small industry, as well as every large industry, to produce everything it can possibly produce to enter into the war production, either as parts, or as raw material.

Mr. MURRAY. I thank the Senator. That situation was very ably described by Mr. Nash before the Committee on Banking and Currency during the progress of the hearings. Mr. Nash is with the War Production Board, in charge of the financial section, and he described in great detail the German method of handling this problem. He is very much in favor of our bill, and has the feeling that this is the way to approach the problem in this country.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. TOBEY. I am one of those who believe in the proposed legislation and that the times demand it, and I desire to pay tribute to the men who pioneered along these lines. First, I refer to the junior Senator from New York [Mr. MEAD], who over a year ago came before our committee and presented a bill to aid small business men, which was not adopted, but his efforts were very clean-cut, and deserved a larger measure of success than they received. I refer next to the Senator who now has the floor, the junior Senator from Montana [Mr. MURRAY], who has carried on so earnestly and sincerely and indefatigably to bring this proposal on the floor of the Senate, as chairman of the Committee to Study and Survey Problems of Small Business Enterprises. I also pay tribute to the senior Senator from Ohio [Mr. TART], than whom no man has done more effective work, shoulder to shoulder with the Senator from Montana. These three men, in my estimation, deserve real recognition and praise for the arduous work they have accomplished and the result now before us in the form of the finished bill.

To amplify what has been said in the debate in my hearing—I have not heard it all—I now wish to read what I call exhibit A, which may have already been used in the debate, presented by Mr. Bradley Nash, Chief of the Bureau of Finance, War Production Board, who has just been referred to by the Senator from Montana, and who in his testimony told of an illustration in connection with the Navy's need for pumps in submarines which is graphic. Mr. Nash said:

We know there are many other cases which we help, but which do not get money, and some are very dramatic. It happens that our representative in New York State is here today—I remember when he joined us, last November 1—at that time he was not sure whether he would work for the New York section or for us, but about an hour after he came the Navy called up and said they had some submarines they could not launch because a manufacturer of pumps did not have enough working capital to order adequate supplies. It took Mr. Rankin until about 8 days before Pearl Harbor—

That was December 7—

to get the financing to get the pumps, in order to put the submarines into the water. And there may be many other cases.

Mr. BROWN. The attack on Pearl Harbor occurred December 7.

Mr. TOBEY. Yes; and December 1 was 7 days before, the analogy being that it took 30 days, or 1 month of the calendar year, to get the financing authorized, to insure the pumps' being delivered, to put them in the submarines, and to get the submarines to work fighting the Japanese. That is an incongruity, and we are trying to correct it in the proposed legislation before us. It took 8 weeks for them to get the pumps. The disbursements, after the loan was granted, took 8 weeks. That could not happen under the proposed law. Red tape will be cut; we will get prompt service. The proposal, I may say, is approved by no less a person than Mr. Donald M. Nelson.

If I may have one moment more, I point out also further testimony of Mr. Nash, in speaking of what the Senator from Missouri referred to, Germany's effort; and we certainly can take a leaf out of Germany's book. In spite of the old Biblical query—by way of analogy—"Can any good come out of Nazareth?" some lessons may come out of Germany, because it is admitted they have been efficient in production of war materials. Mr. Nash said:

Traveling throughout Germany and Europe are thousands of instructors who are teaching smaller artisans how to work.

They go around representing the Nazi government of Germany, and pass this work out stimulating and working for production in an effort to obtain sufficient goods to defeat the democracies.

Mr. Nash further said:

Perhaps I should clarify what I suggest, which is that whenever the Services or the War Production Board feel that production of any goods by any concern is essential, the credit record of that concern shall not be the guiding factor but that urgency shall be the guiding factor.

Mr. President, we have enunciated that principle all the way through. For instance, in the production of copper, in which there are low-cost mines, such as the Anaconda Copper Co. and the Kennecott Co., the high-cost mines of northern Michigan are given a bonus of 5 cents a pound, the objective being to get quantity production and win the war.

Mr. President, I say we should not vote for this bill solely along economic lines. There are some very worth-while social implications and by-products which will result when we pass this bill. Throughout the Nation there are literally tens of thousands of small business men. Senators have many of them as constituents and friends, and know what they speak for, and yearn for, and cry out for today.

Many of those men believe they are the "forgotten men." Give them this legislation, implement this board of five, give them \$100,000,000, put the servicing of the legislation in the hands of the subsidiary of the Reconstruction Finance Corporation, and what will you do? You will tell these small business men that

somebody cares for them, and the name of these small business men is "legion." Let us evidence to them that the Congress of the United States cares for them, and for the great objective of all-out production to win the war at all costs.

Mr. MURRAY. I thank the Senator from New Hampshire.

Mr. President, as the result of the statement I have made, and the discussion which has taken place here, I think it has been pretty well established that the bill is a worthy one, and that it is really essential for the purpose of bringing small business into the picture. As the Senator from Missouri [Mr. CLARK] stated a short time ago, there seems to be a psychology on the part of the procurement officers of the country that they can only deal with big business. That same situation is found to exist even in the War Production Board, and in O. P. M. before Mr. Donald Nelson became the Chairman of the War Production Board.

Mr. President, I have before me a statement which was made by Arthur C. White, who is connected with the War Production Board.

At Atlantic City just a few days ago he said that small business should close up shop and stop wasting the economic strength of the Nation. He is a big business representative, and he thinks that small business is simply in the way, and that we can get along without it. That that psychology does exist in the War Production Board to some degree has been shown by the testimony given before the Truman committee, and in other ways. It was shown by the testimony of the small business men who came before our committee and told how impossible it was for them to make any headway in obtaining contracts for war production.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. KILGORE. In a recent investigation of manufacture in aircraft plants, conducted by a subcommittee of the Special Committee to Investigate the National Defense Program, there was brought out the complaint that contracts had been piled up at the top, but no effort was made to bring into the picture the small men who can make the parts for the assembly plants, that the stoppage occurring, the slow-down being complained of, resulted from the fact that nothing was being done to finance the small business man down at the bottom who was making the rivet or screw or some small assembly part.

One airplane manufacturer stated that he dealt with 4,000 subassembly manufacturers, small manufacturers in the United States, any one of whom could slow up his plant, and frequently did, and his hope was that the Government would step into the picture and help build up this subassembly by the small manufacturers to meet the needs of the assembly line. I thought the Senator would want to know that.

Mr. MURRAY. I thank the Senator from West Virginia for his able contribution to the presentation being made today.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. CLARK of Missouri. I do not wish to trespass on the time of the Senator, but I should like to say that I have received complaints from Missouri along this line, that frequently when officials of the War Department have let contracts the contractors have included fields entirely outside the contractors' possible ability to perform. I received one complaint from a woodworking concern with respect to certain articles which had nothing whatever to do with the steel industry, not in any remote degree, but this concern, the oldest woodworking concern in the eastern section of Missouri, one of the oldest and most solid in the whole United States, was asked to make a sub bid by a concern to which a contract had been let by the War Department, which concern was itself a steel producing concern, and which showed in its specifications and price limit an absolute, a complete ignorance of the lumber producing trade, which was necessary to furnish the subcontractor's requirements. In other words when the question of subcontracts comes up, there seems to me to have been a great deal of the sort of business going on, of having some of our purchasing agents simply let large contracts to certain concerns in the country which were not able to or not entitled to take all the contracts, a part of which they were supposed to let out to subcontractors, and in connection with which the contractors did not know anything whatever about the trade conditions of the subcontractors to whom they would have to let subcontracts.

Mr. MURRAY. That is true.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MILLIKIN. I should like to ask the distinguished Senator from Montana whether the small business concerns and plants to which he is referring include concerns and plants which deal with mining?

Mr. MURRAY. Yes.

Mr. MILLIKIN. And with concerns which are appurtenant to mining plants?

Mr. MURRAY. Yes; it does. It applies to any small business. For instance, we have many small mining corporations in the country which produce some of our critical materials. Out in my State of Montana we have a small corporation which has been engaged in the production of manganese for a great many years. If that plant needed any assistance to expand its operations, in connection with that very essential critical material, of course it would be covered by this bill. The same is true with respect to copper or any of the other strategic minerals.

Mr. MILLIKIN. For the sake of the RECORD may I ask if that is the opinion not only of the distinguished Senator, as the chairman of the committee, but also the opinion of the members of the committee?

Mr. MURRAY. Yes; it is.

Mr. MILLIKIN. I thank the Senator.

Mr. MURRAY. Mr. President, I believe I have covered the matter substan-

tially, and if other Senators now desire to speak, I will yield the floor.

Mr. DAVIS. Mr. President, it has been apparent to me for many months that the full force of our production has been handicapped because subcontracting has been neglected. Small business firms have not been able to negotiate prime contracts and have been ignored in the field in which subcontracting would have helped. This situation must be and can be improved.

I heartily approve of Senate bill 2250, which will make possible a more effective use of existing Government agencies now working for all-out production and will also establish the Smaller War Plants Corporation.

The task before us is to locate small plants and gear them to action. In my judgment, the big job of production now at hand is to take the contracts to the machines, rather than expect every employer in the United States to run to Washington for an expensive and oftentimes futile trip.

We are fortunate in Pennsylvania to have one of the most effective production organizations in the country which has made itself favorably known as the York plan. This plan is nothing more than a demonstration of what can be accomplished through cooperation between large and small industries when facilities are well developed and skilled labor is available and willing to work. My hat is off to the men who have done this effective work of subcontracting in York County.

We must remember that necessary civilian production as well as war production will be sustained under the provisions of the pending bill. I regard the bill as absolutely necessary to the maintenance of free enterprise and the successful conduct of the war.

MAN-HOURS AND PRODUCTION OF WAR MATERIALS LOST THROUGH FIRES AND EXPLOSIONS

Mr. President, we are generally agreed that this war must be won by man-hours of labor and production of essential war materials. I should like, therefore, to call attention to a most important aspect of our war emergency program, which, in my opinion, is not receiving proper attention. I refer to the protection from loss by fires and explosions of both raw and finished war materials.

At the present time man-hours and production of essential war materials are being lost through preventable fires and explosions.

In looking into and reviewing reports of explosions and fires during the war emergency period, these questions immediately arise:

First. Are the American people fire conscious?

Second. Are we disposed toward ways and means of preventing and stopping explosions and fires?

To win the war we must be interested in the productivity of labor, and especially in the loss of man-hours either through accident to the laborer himself or to the materials with which he works. It is therefore vitally important to plan and organize for the complete nonimpairment of our total war effort.

Every fire or explosion cuts down man-hours and production.

Every fire requires replacement materials, the fabrication of which takes man-hours from the production of needed war materials.

An unusually large number of explosions and fires have occurred in war industries since the beginning of the emergency. Investigations by competent authorities have shown that up to the present time sabotage has not been evident, and that many of these disasters are due principally to accidental causes connected with operating processes, production under pressure, new workmen, and other causes associated with expanding war production. These fires and explosions are therefore preventable, and all possible steps should be taken to prevent their occurrence.

FIRES IN NATIONAL DEFENSE PLANTS

During the year 1941 the National Fire Protection Association, through its department of fire record, received reports of 48 fires in the United States and Canada, each of which involved a loss estimated at \$250,000 or more. The total loss was approximately \$33,000,000. These fires destroyed badly needed supplies of war materials.

This represents an increase of 10 fires over the number reported for 1940, 28 more than for 1939, and 12 more than the average for the past 5 years. Twenty of these fires in 1941, in which vital war materials were destroyed, caused individual losses of not less than \$500,000, including 13 which resulted in losses of more than \$1,000,000 each.

The largest fire in 1941, and the greatest single industrial loss in any 1 year in our entire history, was the fire which destroyed the rubber products plant at Fall River, Mass., on October 11. That fire alone destroyed approximately 14,000 tons of rubber—at a time when we could not afford the loss—and resulted in a property loss of \$11,000,000, exclusive of indirect losses.

I hold in my hand an illustrated booklet entitled "National Defense Fires," issued on March 2, 1942, by the National Fire Protection Association, whose executive offices are at 60 Batterymarch Street, Boston, Mass. This booklet, which shows pictures of 21 disastrous fires and explosions, contains the following important foreword:

The fires pictured on the following pages are typical examples of recent spectacular fires that have been and are hampering production. Thousands of other fires of smaller proportions have an equally serious aggregate effect on this Nation's war program. These fire losses, though measured in dollars, mean far more than the money value, for even though they may be fully covered by insurance, just so much needed war production is lost.

The responsibility for these fires usually cannot be assigned to any one place. They are usually due to a combination of different factors, such as lack of proper planning on the part of the management, apparent acts of carelessness on the part of employees, lack of adequate fire-fighting facilities, and a variety of other factors, no one of which can be blamed exclusively on any individual fire.

But underlying all the faults of omission and commission is the fundamental lack of

the appreciation of the importance of fire safety. Of all the measures of fire protection, the most important and the one most commonly neglected is that of subdividing combustible materials so as to minimize the total possible destruction of any individual fire.

In many plants fire protection has been a paramount consideration of planning, but in all too many others fire safety has been mistakenly sacrificed to quick production.

An increase in the number of fires is to be expected during a period of increased war production. Most fires can be prevented but some may occur despite all precautions, and what is most important is to avoid any conditions which will permit a small fire, whatever its cause, from assuming disastrous proportions. No fire department, however efficient, can prevent serious loss after fire has once reached major proportions in a large area of combustible material.

Sabotage is a fire cause commonly neglected in ordinary times which must now receive special attention. However, there is danger in concentrating all attention upon prevention of sabotage to the exclusion of adequate thought to ordinary fire causes. And fire is equally destructive whether caused by an act of sabotage or a carelessly discarded cigarette.

The measures of fire prevention and fire protection that should be employed to prevent these disastrous losses are well known. They are clearly outlined in the well-established standards of the National Fire Protection Association and information on the important features of construction, protection, and organization for fire safety can be obtained for the asking from fire-protection authorities throughout the country.

Many cases of disastrous losses of war materials by recent fires and explosions can be cited, but here are a few typical examples:

First. The fire of October 11, 1941, at the rubber-products plant at Fall River, Mass., destroyed 14,000 tons of rubber, enough to make 2,000,000 automobile and truck tires, and resulted in a loss of \$11,000,000, exclusive of indirect losses. The fire started in an unsprinklered process drier. The loss of manufacturing sections curtailed vital war production.

Second. Grain-dust explosions and resulting fires at the Great Northern Grain Elevator X at Superior, Wis., on January 10, 1942, caused an estimated property loss of more than \$1,350,000 and destroyed a large grain supply which would have provided bread rations for an army of 700,000 men for an entire year, and resulted in the loss of vital storage and shipping facilities at that important port at the head of the Lakes.

Third. An explosion and fire of magnesium dust at a plant in Newark, N. J., on October 16, 1941, vitally affected production of badly needed war materials. The plant, with one-third of the national production capacity of this valuable war material, was making magnesium powder for bombs and tracer bullets.

Fourth. A fire on March 6, 1942, in Boston involved 1,500,000 pounds of wool, one of the Nation's largest storages of wool, destroyed a large quantity of wool, and caused property damage estimated at \$250,000. This is a critical time to lose such a large quantity of strategic war materials.

Fifth. In Baltimore, Md., on September 17, 1940, 10,000 tons of cork, stored in anticipation of stoppage of shipments from Europe, were destroyed in a million-dollar fire. Four hundred and fifty

Baltimore firemen with 60 pieces of fire apparatus, summoned on 15 alarms, were unable to stop this fire.

Sixth. In Philadelphia on May 15, 1941, a disastrous fire in a lumber yard caused a loss of \$900,000 and destroyed four and one-half acres of lumber needed for war-time construction. The fire department saved a large adjoining shipbuilding plant—very vital to the war shipbuilding program—but no fire department in the world could control a fire in such a mass of burning lumber.

FIRE AND EXPLOSION PROTECTION NECESSARY

These disastrous fires and explosions which are vitally affecting the production of needed war materials emphasize very definitely the importance of utilizing available technical explosion and fire-prevention experts in the war production program.

The experience of the Bureau of Agricultural Chemistry and Engineering has shown in a striking manner that dust explosion and fire losses in industrial plants can be prevented by the application of the methods which have been developed in the Department of Agriculture, and which have involved extensive research work.

The determination of the causes of fires and explosions involving dusts, gases, vapors, solvents, and other inflammable chemical materials requires specialized technical qualifications and experience. The investigator assigned to the case must have sufficient expert knowledge of general manufacturing processes and be fully acquainted with the fundamental characteristics of explosions and resulting fires of this kind in order definitely to determine the cause. It is therefore a highly specialized technical service.

The present activities of the Federal Bureau of Investigation, the War and Navy Departments, as well as other associated agencies, are well organized, and splendid work is being done to provide protection against sabotage, espionage, and subversive activities. In my opinion, however, adequate provision has not yet been made in our war emergency program for the full utilization of available technical knowledge which can be put to use in an action program which will result in the prevention of fires and explosions in our vital war-production industries.

In normal times perhaps we can rest in the security that the insurance companies will pay the losses, which, of course, is true; but engaged as we are in a critical war, the losses from fires and explosions are just as comforting to the enemy as are well-planned and executed cases of sabotage. The effects are the same.

The present activities, therefore, concerned with the production, storage, and shipment of war materials, should be supplemented immediately, in the appropriate Federal agency, with a staff of technical explosion and fire-prevention experts to recommend procedure, equipment, and methods for the prevention of fires and explosions. With the continual change of availability of materials, corresponding changes in procedure and equipment will be necessary.

The purpose of this undertaking would be concerned only with the technical

phases of fires and explosions, the prevention of fires due to carelessness, accidental causes, and industrial hazards, and would have no relation whatever to cases of sabotage, espionage, or subversive activities. On the other hand, it would perform a function which perhaps the Federal Bureau of Investigation would not claim to encompass, but which could be conducted by the properly qualified Federal agency.

It would provide also for the development of a plan for acquainting existing plant-inspection forces with the technical explosion hazards and characteristics of dusts, gases, vapors, and explosive and inflammable materials inherent in industrial plant and war-production industries.

It would further provide for the development of practical and effective plans and methods for properly informing plant officials, workmen, and operating personnel with fire and explosion hazards and with methods of control and prevention.

In the execution of this program the Secretary of Agriculture would utilize the services of and cooperate with existing Federal agencies and with recognized fire-prevention and safety organizations, such as the National Fire Protection Association, National Board of Fire Underwriters, Associated Factory Mutual Insurance Companies, Western Actuarial Bureau, State fire marshals and insurance commissions, National Bureau of Casualty and Surety Underwriters, National Fire Waste Council, International Association of Fire Chiefs, International Association of Fire Fighters, National Safety Council, International Association of Government Labor Officials, International Association of Industrial Accident Boards and Commissions, Society of Grain Elevator Superintendents of North America, Fire Protection and Insurance Section of Association of American Railroads, and Terminal Grain Elevator Merchants Association.

The investigations of explosives and fires in war-material-producing industries would be conducted by members of the technical staff in cooperation with the inspection forces of the above-named agencies and others interested; and plans for plant inspection, educational work, and similar activities involving the development and application of methods for fire and explosion prevention would be worked out in conjunction with both Federal and private agencies.

We cannot continue to have these losses of man-hours and vital war materials by fires in war-production industries. We must make provision for the application of technical knowledge on fire and explosion prevention.

Therefore, Mr. President, in order that the Nation can expend every effort to save our valuable war materials for the prosecution of this war to a victorious conclusion, I submit an amendment to House bill 6709, the Department of Agriculture appropriation bill, which would authorize the Secretary of Agriculture to immediately organize a staff of technical explosion-and-fire-prevention experts to develop and recommend procedure, equipment, and methods for the prevention of fires and explosions due to acci-

dental causes, industrial hazards and operating processes, and other plant causes, exclusive of sabotage, espionage, and subversive activities.

I ask unanimous consent to submit the amendment to the bill (H. R. 6709) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1943, and for other purposes, and that it be printed in the usual form, also printed at this point of the RECORD, as a part of my remarks; and referred to the appropriate committee.

There being no objection the amendment intended to be proposed by Mr. DAVIS to House bill 6709 was referred to the Committee on Appropriations, and ordered to be printed, as follows:

At the proper place in the bill insert the following:

"To enable the Secretary of Agriculture, in cooperation with Federal, State, and private agencies, to organize a staff of technical explosion and fire-prevention experts to determine the causes of fires and explosions in the production, storage, and transportation of war materials made from agricultural products and other sources, and to develop and recommend procedure, equipment, and methods for the prevention of fires and explosions due to accidental causes, industrial hazards, operating processes, and other plant causes, exclusive of sabotage, espionage, and subversive activities, \$250,000, of which \$100,000 will be immediately available."

MOBILIZATION OF SMALL BUSINESS FOR WAR PRODUCTION

The Senate resumed the consideration of the bill (S. 2250) to mobilize the productive facilities of small business in the interest of successful prosecution of the war, and for other purposes.

Mr. CAPPER. Mr. President, I take the floor at this time only to express my unqualified support of the pending measure, Senate bill 2250, for the assistance and maintenance of small industrial plants, for two purposes: First, to increase the production for war purposes; second, to keep alive the small industries so that after the war there still may be a place in our national economy for the small, independent businessman and some small, independent business concerns.

The objectives and mechanics of Senate bill 2250 have already been well explained by the Senator from Montana [Mr. MURRAY] and other Senators. I happen to be a member of the subcommittee which presented the original measure and am in accord with the changes made in that draft by the Banking and Currency Committee. I hope the Senate passes the bill, and that it receives early and favorable consideration in the House. Its early enactment into law, as I see it, is imperative.

As has been already explained to the Senate, the bill proposes to set up a Smaller War Plants Corporation, with a capital of \$100,000,000, the stock to be subscribed for by the Secretary of the Treasury. This Corporation will be managed by five directors, named by the Chairman of the War Production Board, so that at all times its operations will be synchronized with the war efforts of the War Production Board. It will be in no sense a competing agency, nor will it divert anything from the all-out prosecution of the war.

The proposed Smaller War Plants Corporation will be authorized to make loans or advances to small business concerns, to finance plant construction, conversion, or expansion for the purpose of manufacturing essential articles, equipment, supplies, and materials. It will be authorized to provide working capital for such production. The Corporation also might purchase or lease land, or lease, build, or expand plants to enable small business concerns to engage in the manufacturing of essentials.

Another function of the Corporation will be to take Government contracts as a prime contractor, and subcontract to small business concerns that otherwise could not get Government contracts, either prime contracts or subcontracts.

The measure does not directly deal with the equally serious problems of the distributors, with some 3,000,000 wholesale and retail firms and dealers threatened with obliteration if the war effort is not directed with due regard for the future welfare of the internal economy of the Nation. But I agree with the Senator from Montana [Mr. MURRAY] that every small manufacturing plant enabled to stay in business and manufacture essentials for civilian use, will mean that the distributors have just that much more of a chance to keep alive.

Mr. President, industry faces two big jobs. The first, of course, is to produce sixty or seventy billion dollars worth, or even more, of necessary war materials. The second—and it also is important—is to continue production of things essential to the civilian population.

As I pointed out to the Senate recently when I placed in the CONGRESSIONAL RECORD the final report of Mr. Floyd Odum as Director of the Division of Contract Distribution in the O. P. M.—the Division has since been abolished, and Mr. Odum retired to a position as consultant—undoubtedly there is pressing need for the Government itself to help preserve the small industries and the small businesses of the Nation.

It is decidedly to the interest of the Government, and of vital interest to the people of the Nation, and I believe also in the interest of winning what promises to be a long and tough war, that as much business as possible be kept going. I am not making a plea for business as usual, but I am urging that the war effort does not necessitate the destruction of small business in this Nation. If for no other reason than for tax-revenue purposes, we should keep in mind the fact that every business concern destroyed means also the destruction of a taxpayer—perhaps of many taxpayers.

I believe I appreciate fully some of the possibilities in the President's Executive order taking off the restraints on lending by Government, by R. F. C., by banks, and by other lending agencies, so that working capital may be provided wherever necessary, appropriate, or convenient to the war effort. I appreciate the fact that some of the Government-underwritten loans will be made to small industries, but under that order there is no one, no agency, no responsibility for seeing that the small concerns get any of its benefits.

The Smaller War Plants Corporation proposed in the pending bill will be in position, will have the responsibility (under control of the War Production Board, so that it will not do anything to hamper war production) to utilize the very broad powers created by the President's Executive order allowing unlimited lending for war production.

Mr. President, there are some 184,000 manufacturing plants in this Nation. Fewer than 10,000 of them have obtained either prime contracts or subcontracts. The bulk of the contracts have gone to fewer than 100 big concerns. Thousands of the smaller plants already have folded up. Tens of thousands more will go to the wall unless something is done to keep them open. As Mr. Odum pointed out in his report, all the small plants, if kept going at capacity, would not be sufficient to supply the absolutely necessary civilian needs; and, after all, if the armed forces are to be kept supplied with what they need, if the war program is to be financed, articles to supply civilian needs must be produced, and the financing must be done by the civilian population.

I am not under any illusions that this bill of itself will solve the problems of small business in the United States during the war effort; but it promises to be of real, perhaps of great assistance along that line. I urge the Senate to pass the bill, and to get at work at the earliest possible moment the machinery it provides.

Mr. TAFT. Mr. President, the pending bill has two purposes. Its first purpose is to mobilize all the productive facilities of the United States, a great part of which are in so-called small business enterprises. The second purpose is to preserve small business throughout the war so that it may exist in future times.

I do not suppose anyone could hear the testimony which was elicited before the committee without becoming convinced that small business is being given a very small part in the war, and that it faces a serious crisis, if not complete destruction, if deliberate and thoughtful action is not taken.

I do not think it is necessary to argue the advisability of retaining small business. I cannot go into a single county seat in Ohio which is not largely kept alive and supported and its independence maintained by one or more small manufacturing plants. If we rely entirely on big business we shall practically wipe out a large number of the smaller towns of Ohio.

I do not think I need elaborate on the fact that there is a tremendous capacity for production in various kinds of small plants. I was interested in a recent survey completed by the president of Willys-Overland Motors, in Toledo, with regard to the productive facilities existing merely in the automobile repair shops of the United States.

They took a cross section of the country and found among these various shops, nearly all of which will be put out of business so far as automobiles are concerned, a perfectly incredible amount of all kinds of machinery. The estimate made indicates that there are in those shops alone 18,000 lathes; 15,000 grinding

machines; 1,400 shapers; 16,000 drilling machines; 52,000 welding units, and a countless amount of additional machinery. The area of floor space in those shops is more than 250,000,000 square feet. The machinery and equipment is valued at more than a half billion dollars. That is only one phase of the kind of facilities which are not being used.

The testimony shows that in Germany practically every cross-roads shop has been set up as a machine shop to help make parts for the war production. Many farmers are given machine tools of a certain type to enable them during the winter to work in the production program. Certainly there are not only small plants, but there are a countless number of intermediate plants that can be mobilized if someone can do it; and that is the purpose of this bill.

When we approached the bill we found the difficulty was that the heads of the three departments having to do with production were concerned primarily with big industry. That is not their fault. They had to get results in a hurry; they had to get millions of articles manufactured with the utmost speed, without waiting to try to work out the best possible method of doing it, and, naturally, they turned to big business. The procurement officers of the Army and Navy find it much easier to let 1 big contract than to let 10 small contracts; that is human nature; but their whole energy is taken up in negotiating large contracts.

The War Production Board set up a small business division, but it was not backed up or given effective support. The War Production Board, necessarily, has been trying to mobilize all the big industries of the country. They have had the whole automobile industry and many different kinds of large manufacturing concerns to convert. They simply could not have the time and have not had the time or the energy to go on to the infinitely more difficult job of trying to coordinate all the small industries of the country.

When it comes to the lending agency, the R. F. C., the same condition is found to exist. The Defense Plants Corporation have available to loan to war industries nearly \$10,000,000,000. They are lending it in large amounts. They are necessarily interested; their time is taken up in negotiating contracts with concerns that can borrow as much as a hundred million dollars at a time, and, naturally, in a much shorter time, they can accomplish more in that way. So we started out to set up a separate organization in the War Production Board, which shall not be concerned with big business in any way but shall simply be concerned with mobilizing small industry to work out the problems of small industry. We have provided for such an organization in this bill. In order to implement that effort, and to make it more effective, the bill also creates the Smaller War Plants Corporation. We have a Defense Plants Corporation which can do anything that the new corporation can, but its whole energy must be taken up with doing the big job. We want somebody who has not anything to do except

to mobilize small industry. That is the purpose of this bill.

After we started, it was suggested, why not have this thing all done at one place instead of three? Why have a procurement officer who is trying to distribute contracts to small business and the War Production Board trying to organize it, and the R. F. C. trying to finance it? Why not put it all in one place? That seemed to be common sense. So we provided for the Smaller War Plants Corporation, but we only gave it a hundred million dollars, which is only 1 percent of what the R. F. C. has. If the plan is a success, the Corporation will be back for more, but this is a trial to do a job which is not an easy one to do. Somebody will have to be something of a genius to work it out.

According to the terms of the bill the Smaller War Plants Corporation can go to the War and Navy Departments, if those Departments propose to let a contract for a few tanks, and say, "We can handle for small business a hundred of those tanks; give us a contract for a hundred of them and you will not need to worry; we will get a certain concern to manufacture one part, another concern to manufacture another part, a third concern to manufacture a third part, and a fourth concern to assemble the whole into a tank."

So the bill gives the Corporation the power to be the prime contractor, and then to sublet the contracts so that the article may be produced. The Army will have the same control; the Army inspectors will be able to give the same inspection; the Army will let the contracts; the goods must come up to specification; but the job of trying to divide the work among subcontractors is to be given to this Corporation.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Montana.

Mr. MURRAY. The Senator from Ohio is making a very able presentation of the case before the Senate. I am sure that he will recall the testimony which was developed before the Banking and Currency Committee in connection with the bill in which it was shown how difficult it was for an individual corporation to get a contract. I remember the testimony of Mr. Glassgold, representing the Allied Automatic Machines, Inc., of Chicago, and small plants generally, who said that they had the very finest equipment and were competent of taking contracts for the most complicated kind of materials, but they failed absolutely to secure any consideration. I am sure the Senator will agree with me that the bill, as it is drawn and as it has been explained, will bring about such a situation that the facilities of small concerns scattered over the country can be utilized in war production.

Mr. TAFT. I do not think that there is any question that it is a job that can be done.

When it came to financing, we decided that this Corporation might as well do the financing. If they have to mobilize small industry they ought to be able to say, "If you can make this article in your

plant or if you can make this particular part and you need so much money, we will lend you money for that purpose." It seems to me that will avoid complications. The small concerns will not have to sell their whole proposition, first, to the War and Navy and procurement officer, then to the War Production Board, and, finally, to the financing corporation. They will not have to begin at the beginning each time and explain their story, but they can get it all done in one place, in one production board, the Smaller War Plants Corporation.

I am confident that the plan will work. It will take real skill; it will take a careful and methodical approach; it will take energy, initiative, and imagination to put it across; but I believe it can be done.

We are only giving the Corporation, as I have said, 1 percent of what the R. F. C. has. I do not think a great deal of money will be required, but some money will be needed; and I can see no reason why the Government should not do for the small plants exactly what it has done for nearly every large company in the United States, either lend them money or build the plant for them and lease it to them, or take some other action which will enable the company to participate in the war effort and enable the Government to add just that much production to what would otherwise be available in the big plants. There is no interference with the development of the manufacture of the large plants; this is a supplemental program and a program which only adds and cannot detract from the total war effort of the United States.

I might refer to one feature of small industry in general. We may find that it is better to turn as much as possible of the large industry into war production, and then mobilize the small industry to take care of the civilian supply, or parts of the civilian supply which the larger companies have been handling but which now they must abandon in order to give their full attention to war production. There is pending another bill suggesting that idea, but there is nothing to prevent the corporation provided for in the bill from financing the development of essential manufacture; and if it is desirable to take a large plant which is manufacturing something perhaps essential for civilian supply and turn that whole plant into war production, and then mobilize the smaller industries to take care of the civilian supply which the larger plant has given up, that can be done by the Corporation provided for in this bill.

So I feel very confident, Mr. President, that the bill can only be of assistance in the program. I have confidence that, if administered with ability, it can be made of the greatest assistance to the American war-production effort.

Mr. MURRAY. Mr. President, I desire to thank the Senator from Ohio for the very clear explanation he has made of the purposes of the bill. I wish to acknowledge again the very able part the Senator from Ohio played in the formulation of the measure. He contributed, I think, more than any other member of the committee in drafting the provisions of the bill. I wish to make that acknowledgment publicly.

He was active and interested from the very commencement of our hearings and proceedings, and contributed greatly to the final result.

Mr. DOXEY. Mr. President, I have listened with a great deal of interest to the able speeches and explanations which have been made today on the floor of the Senate in favor of Senate bill 2250. I, too, am heartily in favor of the bill, because I feel that it will be of great benefit to small business and small industries. The title of the bill is, "To mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes."

I know the distinguished Senator from Montana [Mr. MURRAY] and his committee have labored long and hard, and, as has been said by the senior Senator from Ohio [Mr. TAFT], I feel that if the proposed law shall be properly administered it will bring untold good, and serve a pressing need and help business and those engaged in small business pursuits.

The bill has been explained and considered, and it will not be my purpose to take time to discuss Senate bill 2250, but my purpose in asking recognition is to express the hope that the Senate will make the Connally bill, Senate bill 2054, the next order of business in this body. Yesterday a strenuous effort was made to bring up the Connally bill and secure some consideration of labor legislation by the Senate, but the effort failed. However, we are going to do our best to get some labor legislation considered by this Senate as soon as possible. Some of us have been working along this line for quite some time, but up to now we have not been able to have considered on the floor of the Senate any measure dealing with the present labor situation.

Mr. President, as a member of the subcommittee of the Committee on the Judiciary of the Senate, appointed to conduct hearings on Senate bill 2054, known as the Connally bill, a measure relating to the use and operation by the United States of certain plants in the interests of the national defense, I desire to say that the subcommittee conducted extensive hearings, and we had before us many distinguished personages, such as Hon. Robert P. Patterson, Under Secretary of War; and Hon. James V. Forrestal, Under Secretary of the Navy; Admiral Land, and other notable individuals. We had before us also representatives of various groups and organizations.

Senate bill 2054 provides for the freezing of the status of employers and employees in case of a strike in a defense industry, thus avoiding delay and the impeding of production in our all-out war efforts.

Mr. President, I no longer use the term "national defense efforts." I now propose to use the more realistic and aggressive term of "national offense efforts." We cannot win the war if this country still possesses the psychology of "national defense." We must realize that from now until final victory the slogan must henceforth be "national offense efforts."

I know there is a movement on foot to bring about a tacit truce on demands for wartime labor legislation, at least

until after the Easter holidays, with the thought that this so-called cooling-off period would give the Members of the Congress time to go home and ascertain the true facts about what the people really wanted.

Mr. President, at this time I desire to say to the Senate that I do not have to return to my State to know the hearts and minds of the God-fearing and intensely patriotic citizens of Mississippi, and here and now I raise my voice in support of the earnest effort of the distinguished senior Senator from Texas [Mr. CONNALLY] in his attempt to get Senate action on his antistrike bill, calling for Government seizure of plants and freezing all labor and conditions where disputes threaten war production. I certainly am not against labor when I take this stand. I believe that all patriotic Americans are fully convinced that strikes retarding our all-out war efforts must cease.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Mississippi yield to the Senator from Texas?

Mr. DOXEY. I yield.

Mr. CONNALLY. The Senator from Mississippi, now addressing the Senate, is a member of the Committee on the Judiciary and a member of the subcommittee that considered and reported my bill, and worked very diligently and very attentively on Senate bill 2054 from the very time he was made a member of the subcommittee. I wish personally to thank him for the contribution he made. With his usual ability and diligence he contributed very materially, and his approach to the question is a broad, patriotic one. I am very happy indeed to know that at this time he is supporting my measure and expects to vote for its immediate consideration. The people of Mississippi can well be proud of the Senator for his contribution while he is still a very new Member of the Senate.

Mr. DOXEY. I deeply appreciate the kind and generous remarks of the distinguished chairman of our subcommittee, the senior Senator from Texas, and I thank him profoundly.

Mr. President, I believe, as was stated by Judge Patterson, the Under Secretary of War, when he was testifying before our committee:

In my opinion, the enactment of this measure—

S. 2054, known as the Connally bill—

will be in furtherance of the national defense program and consequently of the public interests.

Mr. President, this was the considered judgment of the distinguished Under Secretary of War, before we were so foully stabbed in the back on December 7, 1941. How much more compelling is the enactment of this salutary measure at this time, when we have stopped talking about national defense efforts and have gotten down to brass tacks and only speak of our national offense efforts. If we ever expect to win the war, we must be defi-

nitely on the offensive. I said on the floor of the Senate on March 10, 1942:

Huge war profits must cease, red tape must be dispensed with, and everyone, from the highest to the lowest, must realize that we are now fighting for our very existence and act accordingly. Congress must act. Legislation should be immediately enacted to remedy this regrettable and serious situation. I am ready to vote and do all I can to achieve this result now. No time should be lost; nothing should deter us. First things must come first. We must win this war and preserve our democratic way of life.

I also said:

We cannot all do the same things, but we must all contribute our part; that we must all work or fight.

Those among us, if there be any, who are not willing to work or fight, must be dealt with summarily. We are in a life and death struggle, and I am fully conscious of this awful fact, and am doing my dead-level best to meet the issues of the hour fairly and squarely. I further said in the same speech before the Senate, March 10:

Let us cross the Rubicon and take our stand beside the boys in the trenches, on the high seas, and in the air, and say to those who would stop or retard our all-out defense efforts, "This glorious Republic is not poor and beaten France. We must all work or fight; we cannot do more; we dare not do less."

Mr. President, I truly mean just that. We must quit thinking in terms of less work for more money. We also have to get away from the outrage of a \$35,000 investment with a profit of \$210,000; or double time for Sunday or holiday work; or time and a half until we have worked at least a full 48-hour week. How are we going to win this war if we follow the footsteps of fallen France? I am proud to personally back Senator CONNALLY in this tragic hour—for I firmly believe that if we pass the Connally bill and modify the 40-hour-week provision, and pass the pending measures limiting the unreasonable profits in the manufacturing of all instruments of war—even, if necessary, commandeering capital and labor, treating all alike, then we will have made great progress in remedying this situation and securing all out war production. I am ready to do just that.

I plead with the Senate to get down to brass tacks and meet the issues of the hour. I well know that if this is done our representative Government will stand eternally vindicated. I do solemnly declare that unless we here and now measure up to this high standard of statesmanship, in this critical hour of National peril, I am fearful of the ultimate consequences. I definitely differ with the school of thought which would place theories of "social gains" above the bald fact that up to this good day we are being defeated in this World War; that we can work only 40 hours regular time, and receive time-and-a-half pay after 40 hours, and double time for Sundays and holidays, with our boys fighting and dying on land, in the air, and on and under the high seas, and sufficiently sustain the morale of our entire Nation to

bring us victory. To win this war we must get away from this deadly philosophy which brought France to slavery and utter defeat. If we, the Congress, will exercise that degree of leadership, so prayerfully hoped for by the great majority of the American people, and put a stop to unconscionable profits by both industry and labor, and so regulate prices as to keep down ruinous inflation, then, Mr. President, it will mean that we are determined to bring about national stability, so that when our brave fighting forces, well knowing that we mean business, victoriously return to the land of the free and the home of the brave, they will not find this glorious country burdened down with an unpayable debt, and absolutely threatened with national bankruptcy. If we continue on our present course, I fear we are going to rue the day when we did not stop, look, and act.

I well know that those of us in the Senate who are working and fighting for the curtailment of many unnecessary governmental expenditures, the consolidation of the overlapping agencies of our National Government, and the elimination of useless and expensive activities are strongly opposed by some of those in authority. But I have the determination to face the crisis of this fateful hour, and I here and now call upon my colleagues of the Senate and appeal to them to forego any further postponement concerning enactment of those salutary measures of which I have spoken, and which are certainly designed to prove to the world that we realize the extreme seriousness of this day. Let us, in the name of freedom, with a high regard for our sacred duty to our families and firesides, and our brave soldiers, sailors, and marines now fighting and dying so gloriously and destroying the treacherous enemy, I say, let us become altogether united and unselfish, and thereby meet the full measure of that terrible responsibility which destiny has placed upon the Seventy-seventh Congress.

Mr. MEAD. Mr. President, as one who is very deeply interested in the problems of small business, as one who, as far back as 1936, introduced a bill to set up a system of guaranteed loans for small business, I wish to make a few observations concerning the measure which is now before the Senate for consideration. The bill, like the President's order, seeks to put working capital, financing, on a war basis, and seeks to eliminate peacetime restrictions on banks and other credit agencies, so that we may cut away the red tape and expedite the war-production program.

Necessarily the R. F. C. has been reluctant to grant loans in the cases which will come within the purview of the pending measure. That is because of the legislation governing the functioning of that agency and because of its policy, with which I have no fault to find.

Mr. President, the present bill authorizes the creation of a corporation to aid small business in the production of both military and essential civilian supplies. I wish to emphasize that fact. It may be misunderstood. It may be thought by

some that the proposed legislation is for the sole purpose of augmenting military production. As I read the bill, and as I recall the discussion before the committee in connection with the bill, it is for the dual purpose of aiding in the production of both military and essential civilian supplies.

Mr. President, we can readily agree that that is very necessary when we understand that this year there will be spent in the United States upwards of \$60,000,000,000 for essential civilian supplies. One of the purposes of the proposed legislation is to relieve big plants now manufacturing military supplies in one part of the plant and civilian supplies in the other, and also to distribute some of the work among the smaller plants of the country.

A second purpose is to supplement the work done by the big plants by permitting the smaller plants to participate in the military production. So the bill, if enacted, will enable small business to participate both in the essential civilian productivity and in the very necessary and vital military production.

Mr. President, in my judgment, the bill provides the method whereby the goal set by the President of the United States for the construction of planes and tanks and military equipment, can be reached. By the enactment of the proposed legislation and by the enthusiastic mobilization of small plants into war and essential peace production we shall attain the goal set before us by the President, and I believe in some cases we shall exceed that goal.

In my judgment, the pending bill presents the very best medium whereby we can speed and accelerate and expand war production. There are in the United States 184,000 manufacturing plants, of which, according to figures furnished to our committee and to the Congress, a very small percentage is participating in the contracts which have been awarded to date.

I believe it is reasonable to assume, based upon the record, that eventually some 50,000 plants, which are now closed or partly closed, or which will shortly be closed as the result of priorities, will, by the proposed legislation, be brought into the military productivity we so vitally need.

Mr. President, I estimate that approximately 5,000 of these plants are located in the State of New York, and that a substantial number of those which are idle, partly idle, or destined shortly to be idle, are located in the western part of New York.

The proposed legislation, as I see it, authorizing as it does a deputy to be appointed by Mr. Nelson to mobilize and to organize small plants, will result in furnishing loans, material, supplies, machinery, equipment, and additional land and additional plants in order to organize small business. The Corporation created by the bill will be able to furnish engineering and other similar services in order to enable small business to cope with the requirements contained in the contracts.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Colorado?

Mr. MEAD. I yield.

Mr. JOHNSON of Colorado. I am quite interested in what the Senator has stated as to what is possible under the provisions of the bill. I should like to ask him whether it would be possible under the provisions of the bill for a small mine to borrow money for milling purposes or for the production of ores? Would it be possible for such a mine to borrow money under the provisions of the bill?

Mr. MEAD. It is my opinion that the Corporation which is authorized to be formed by the bill, if given the money necessary to do the job, can loan money for such purposes. I believe the particular question with reference to the possibility of mining facilities participating in loans can be answered in the affirmative. I would say that the Corporation can organize the small mines of the country, particularly those which can make a contribution to national defense. I believe that is the opinion of the chairman of the committee—in fact, I heard him make a similar observation during the debate today.

Mr. JOHNSON of Colorado. I am very glad to hear the Senator make that statement because, at the present time under existing laws and under the regulations governing the R. F. C., it is almost impossible for a mine to borrow any money unless it can absolutely prove ore in place sufficient to repay the loan.

I notice that the repayment requirements under this measure are very much more liberal than those of the Reconstruction Finance Corporation. If it seems to be in the interest of national defense, a loan for such a proposal should be authorized, even though it be not absolutely certain that all the money loaned will be repaid. I may say that there is now a very great shortage in production of certain vital strategic and critical minerals, and we have in the West great opportunities to increase the production of such minerals of which we are so short. It is seemingly impossible, however, to borrow any money from the Federal Government for the production of those minerals in the Western States, by reason of the strict rules and regulations and red tape and other difficulties, unless the concerns making application for the loans are very large ones. So I am more than pleased to hear the Senator from New York say that, in his opinion, the provisions of the bill could be applied to small mining industries.

Mr. MEAD. Yes, Mr. President; in my opinion, the defense requirements will obviate the necessity of the plants conforming to the normal banking requirements which have heretofore motivated the agencies of Government. It is my opinion that, under the provisions of the bill, any small mining operation can be organized and be provided with loans and with engineering facilities, if that is necessary.

Mr. President, I will say that our committee made a study of this very problem, which confronted other countries of

the United Nations. We also studied the methods which were used in Germany as well as in other countries. We feel that this method of approach presents not only the quickest but the very best method whereby small industry in the country can be mobilized and brought into the war effort. It must be remembered that not only war contracts but priorities have served to render idle thousands of the smaller plants of the country.

The proposed legislation contemplates the restoration of those plants either to essential civilian productivity or to productivity for the military effort.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. MURDOCK. In my opinion, the senior Senator from Colorado has raised a very important question in connection with the bill—certainly important to the intermountain region from which he and I come. As the Senator knows, the bill was before the Banking and Currency Committee, of which I am a member. Had there been the slightest doubt in my mind as a member of that committee that small mining operations come within the purview of the bill I certainly should have offered an amendment during the discussion of the bill before the committee to take care of that situation; but I was so sure of my position, which is now, I think, supported by the Senator from New York, that small mining operations do come within the provisions of the bill, that I thought it wholly unnecessary to offer any such amendment during the consideration of the bill before the committee.

I know that many small mining operations in the West have been handicapped by reason of the laws controlling the lending of money to mines by the R. F. C. and I am hopeful, as is the Senator from Colorado, that many small mining operations in the West capable of adding much to the production of copper, lead, and zinc will find in the provisions of the bill what they have been seeking for a long time, and that we shall see many of those operations come back into activity.

I thank the Senator.

Mr. MEAD. I am glad to have my distinguished colleague's contribution at this point. I shall conclude by summarizing in brief what I believe the bill would accomplish.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. HILL. I note with much interest that in writing the bill the committee has given particular emphasis to subcontracts. I presume the committee had in mind the importance of subcontracts and the importance of using smaller concerns in every way possible in the matter of subcontracts. Is that not true?

Mr. MEAD. That is true.

Mr. HILL. I am sure the committee had in mind the importance of endeavoring to impress upon the War Production Board and everyone else connected with the war-production program that it is the intent of the Congress that subcontracts be awarded whenever possible to expedite the production program, and

also that small business be given its part and place in the war-production program.

Mr. MEAD That is true.

Mr. President, as I stated a moment ago, the proposed legislation would authorize the appointment of a deputy to Donald Nelson, whose job it would be to organize small business. The bill would create a Corporation of five members, which would be clothed with authority to make loans, extend plants, buy land, and furnish supplies, materials, equipment, engineering resources, and other facilities, so nothing would stop the job from being accomplished.

The proposed legislation would enable the Corporation to act in the capacity of a prime contractor which could bid for work, just as any other big prime contractor now bids for work, and then sublet the work to the various small manufacturing plants throughout the United States. I believe that the bill would authorize the Corporation to utilize an existing prime contractor who is perhaps suffering from a backlog of contracts which he would be unable to complete for the next 2 or 3 years. It would authorize the utilization of such a prime contractor in a contract which would permit him to subcontract 100 percent of any contracts he might have.

The bill would do the job. It would eliminate the difficulties which have beset the various procurement agencies of the Government, because the proposed corporation would be clothed with an authority as complete as the problem requires. I believe that from now on the military and essential civilian production of our country will rise rapidly and that before the middle of the year rolls around we shall realize the mighty contribution we shall have made in the enactment of this legislation, for it would make sure the attainment of the goal mapped out for us by the President of the United States.

I congratulate the chairman of our committee for his persistence, energy, and leadership in bringing the bill to its preeminent position. I congratulate and commend the Committee on Banking and Currency of the Senate, its chairman, my distinguished colleague from New York [Mr. WAGNER], and the chairman of the subcommittee, the distinguished Senator from Delaware [Mr. HUGHES], who made a magnificent contribution to the expeditious consideration of the legislation.

The same praise is due my colleague from Michigan [Mr. BROWN], who is a member of the Committee on Banking and Currency and an active and enthusiastic advocate of the proposed legislation.

Mr. President, I believe the Senate will set an example in the consideration and passage of this measure today. I hope that example will be followed by the House, so that the President may have the privilege of signing the bill in the very near future.

Mr. LA FOLLETTE. Mr. President, no Member of the Senate has been more concerned than have I with the problem confronting the so-called small businesses of this country from the inception of the

defense program and the onset of the war. I join with other Senators who have commended the Committee on Small Business for the hearings and for the interest which it has shown in this problem.

I should be the last to want to strike a discordant note in this debate; but I cannot let the occasion pass without making the observation that, in my judgment, the mere enactment of legislation, no matter how well conceived and well drawn, will not solve the problems confronting the small business concerns. The administrative record is strewn with defunct agencies, which have been created one after another for the alleged purpose of seeing that some of the huge sums of money which were being spent for war purposes were allocated to small business concerns. I think the record shows beyond peradventure that, for the most part, such efforts have been entirely in vain. The passage of this bill would not accomplish the results which its authors and Senators who have given it unanimous support today have in mind unless there should be a radical change in the administrative point of view and in the point of view of those who have the power to allocate the contracts in the first place.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Connecticut.

Mr. MALONEY. I should like to point out to the able Senator from Wisconsin that in drafting the bill the committee had in mind the very thing which he has just mentioned. The Corporation set up under the bill has only one purpose and one task; and unless it gives its undivided attention to the problems of so-called small business and obtains for such business its share of the distribution of war work, and obtains from it a proper contribution to war production, it will completely fail. It cannot do anything else but devote itself to this particular task, whereas the other agencies of Government to which I think the Senator refers had a divided responsibility. Naturally, when seeking war production, they went where it was most easily found, among the large corporations. However, it seems to me that the Corporation set up under this bill cannot completely fail, because it has not another single solitary thing to do.

Mr. LA FOLLETTE. Mr. President, I hope the Senator from Connecticut is correct in his statement; but I reiterate my apprehension that unless there is a complete change in the policy of those who are allocating the contracts and of those who are letting the contracts—in short, unless there is a change in the policy of the executive branch of the Government—the fact that the proposed Corporation is designed and conceived for one sole purpose will not avail and will not remedy the situation which has prevailed up to this time. We all know that various agencies have been created in an effort, it was said, to help small business. As a matter of fact, about all that such action has accomplished has been to provide another wailing wall to which the men and organizations seeing

themselves caught in a giant pincers movement between priorities, on the one hand, and war contracts, on the other, have come in order to make their last appeal before they were pinched out of the economic life of this country.

Mr. President, I am concerned about this matter not solely from the standpoint of the situation so far as individual business men are concerned, or so far as investors are concerned, or even so far as those employed in the so-called small businesses are concerned.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I shall yield in a moment.

Mr. President, I am concerned about the situation from two standpoints. First of all, if we do not achieve the objective of the proposed legislation and of other measures which may come from the Small Business Committee, if we do not save the segment of our economy which is made up of so-called small business, we shall change entirely the whole economic structure of the United States, and we shall come out of the war in such a situation that there will be left in the country practically no competition whatsoever. I am concerned about the pending bill from that standpoint. I am concerned about it also because I realize that our enemies are operating on an all-out production basis and that unless we utilize all the facilities of production in our economy we cannot hope to compete successfully with our enemies insofar as production of the materials of war is concerned.

I now yield to the Senator from Connecticut.

Mr. MALONEY. Mr. President, first I should like to say that I have long admired the intense interest of the Senator from Wisconsin in the problems of small business men. I desire to associate myself with his observation that, unless they are protected and saved from further casualties, we shall undo our national economy as it is planned, and shall do great damage to our country.

I desire to try to give the Senator from Wisconsin comfort, if I can, in that connection. During the course of his recent statement he said that under certain conditions, and to do thus and so, "they" created new corporations or agencies. The Corporation proposed to be created by the pending bill is not proposed to be created by "them." The pending measure is a Senate bill; it did not originate downtown. It met some opposition in certain quarters. It was opposed in part by some of those who I think have been neglectful; and it was only after considerable effort on the part of Members of the Senate, the Small Business Committee, and the Banking and Currency Committee, that the bill finally reached the Senate. So I should like to have the Senator from Wisconsin know that the pending bill is one of the really few bills originating in the Congress in recent days.

Mr. LA FOLLETTE. Mr. President, I thank the Senator from Connecticut for his observation. I hope that neither the Small Business Committee nor the Banking and Currency Committee will infer

from anything I have said that I am trying to take any credit away from them or that I do not recognize that they initiated the measure and that it is because of the combined efforts of members of the Small Business Committee and of the Banking and Currency Committee that the bill is now before the Senate and about to be passed.

However, once more I desire to say that the best conceived plan, the best drawn piece of legislation, cannot accomplish the objective sought to be accomplished by the pending bill unless there is a radical change in the point of view of the procurement officers of the Army and Navy and of certain persons in strategic positions in the War Production Board. The fact that certain agencies were created by Executive action, at the other end of the Avenue, ostensibly for the purpose of protecting, looking after, and nurturing the small business segment of our economy, and that one after another they have folded up, after failure, is a complete justification of the statement I have made. The statistics regarding the letting of contracts, both as to dollar volume and as to percentage, will show that despite all the lip service, despite all the agencies which, one after another have folded up in despair and defeat, most of the contracts, in volume and percentage, have gone to the giant corporations. Unless something is done to stem that tide we shall wake up to find small business, the competitive segment of our economy, completely trampled on and crushed as a result of the war effort.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Montana.

Mr. MURRAY. There is just basis for the apprehensions of the Senator from Wisconsin. I think that the matter which disturbed our committee more than anything else was the problem of bringing about some legislation which would overcome the obstacles the Senator has been discussing. Unless we achieve some results in the program proposed in the pending bill we shall see the small business enterprises of the country destroyed, and we shall see built up in our country a totalitarian system which will mean the end of democracy. There is no question about that.

This subject has been discussed for several years. The Temporary National Economic Committee has been studying the problem, and was doing so before the Small Business Committee was created; and I think that every member of our committee has been very much worried about the ability of our committee to work out a scheme whereby we could overcome the obstacles which the Senator from Wisconsin has been discussing. The Smaller War Plants Corporation which we propose to set up under the terms of the pending bill would be staffed by men interested in achieving the results about which we are talking today; it would have experts, engineers, and technicians who are able to study the small plants. Mr. Nelson appeared before the Banking and Currency Committee and stated that he was wholeheartedly in favor of the proposed legis-

lation, and that he considered the pending bill a solution of the problem.

I am sure that we shall find the most wholehearted support in the War Production Board. If the bill is passed and the Corporation is set up, I am sure we shall find that Mr. Nelson will support the Corporation, and that the Corporation will really accomplish the aims we have in mind.

Mr. LA FOLLETTE. Mr. President, I thank the Senator. I appreciate all the reassurances which I have received from him and from other Members of the Senate concerning my apprehensions. I shall be the first to acknowledge it if happily they fail to be realized. I repeat that nothing I have said should be construed as indicating any lack of appreciation for the work of the Senator from Montana and his colleagues on his committee, or the work of the Committee on Banking and Currency. I simply desire to put my own statement on record. Despite all that Congress may do, unless we obtain a change in the point of view of those who, in the last analysis, have the power to let the contracts, all the legislation which we may pass will not achieve the objectives for which it is designed.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Connecticut.

Mr. MALONEY. I should like to say again, for the purpose of emphasis, that the pending bill fixes responsibility; and I should like to take a little of the Senator's time, if I may do so, in order to read an excerpt from Walter Lippmann's column of this morning, which was sent to me, the title of which is "The Passing of the Buck."

The article refers to synthetic rubber. I have not read all the article, but I should like to read one paragraph of it:

Mr. Jones told the committee that "it would seem we have rubber enough to run us at least 1½ years if we were cut off tomorrow from a supply of natural rubber . . . and that would give us about the time required to build synthetic rubber plants." After quoting this testimony of his to the Senate committee, Mr. Jones adds in his recent report, dated March 21 1942, that "the problem of synthetic rubber was generally discussed in the committee, and it was the consensus that limited operations should be undertaken."

I think the article refers to a meeting of the Committee on Banking and Currency. I attended the committee meeting. Synthetic rubber was discussed; but I do not think it was the consensus of opinion of the committee that limited operations should be undertaken. At least it was not my opinion. I raised the question. I begged Mr. Jones to build synthetic rubber plants; but I did not hear anyone except Mr. Jones raise a question against my suggestion.

I do not say this in criticism of him, because all of us misjudged the situation in one way or another, but it is unfortunate, a year or more later, to have the statement made—I do not know whether Mr. Jones is correctly quoted—that it was the consensus of opinion of the committee that we should limit our operations.

I mention this in order to point out to the Senate and to the Senator, because of his apprehension, that the pending bill definitely fixes responsibility. If the Corporation proposed to be set up under the terms of the bill does not do its job it will be a complete failure, which will be obvious to the whole country. There can be no "buck passing" in this instance.

Mr. LA FOLLETTE. Mr. President, I do not think there could be much buck passing so far as the agencies to which I have adverted are concerned. After they had been working for awhile it was discovered that they had not accomplished anything. The same thing might happen in the case of the Corporation proposed to be set up under the terms of the pending bill if, as I stated before, those who in the last analysis have the power over letting contracts do not change their attitude and become sympathetic with the idea of making as wide a distribution as possible of contracts, and utilizing as much of our productive capacity as it is possible to use.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. LA FOLLETTE. I am glad to yield.

Mr. TAFT. I do not want to give further reassurance; but let me say that I did feel that the failure of the Odium committee was perhaps due not only to a lack of interest in the War Production Board, but it also was due to the fact that the procurement officers would not give contracts to the small business, and Mr. Odium could not get the money; in fact, there was so much trouble that he could not accomplish his purpose.

That situation has concentrated the whole business in Mr. Nelson, and under the Executive order he would have power to tell the War Department and Navy Department to let contracts to the Smaller War Plants Corporation. He never before had such power until the issuance of the recent directive.

He has the power to let the subcontracts to small business; he has the power to give them the money to finance the contracts; so that it is certainly true now that, for the first time, one man can do the whole job. Previously it was fair to say that there were three different Departments that had to cooperate, and, of course, it was difficult to obtain cooperation.

I think Mr. Nelson when he came into office issued a statement which seemed to show a hostility to small business, but I was impressed the last two or three times he came before the committee that his attitude had completely changed. I believe that the man to whom we are giving the power is impressed with the necessity of aiding small business; that he has changed his point of view, and, if he appoints the right men on this board, which he has the power to do, I believe the job can be done.

Mr. LA FOLLETTE. Mr. President, I think the job can be done if there is a will to do it, but I say that, up to now, there has not been in the executive branch of the Government sufficient will to accomplish the objective of assuring the survival of small business. Senators can tell me anything they please about

how complicated the set-up was, but I reiterate that, if they had wanted to do this job, they could have done so. They knew that small business was failing; their own statistics showed that it was failing month by month, that contracts were being scattered, and small business was being liquidated. The responsibility was on their hands, for they were charged with letting the contracts, in the first place, and, under all the powers that have been given to the executive branch of the Government it is no defense to say that the situation was such that they could "pass the buck."

Mr. MURRAY. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Montana.

Mr. MURRAY. I call attention to another very salutary provision of this bill, which I think is aimed to bring about the result to which the Senator from Wisconsin is referring. I quote section 5 of the bill, which is as follows:

Sec. 5. The Chairman of the War Production Board shall make a report every 60 days of his operations under this act to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include the names of the business concerns to whom contracts are let, and for whom financing is arranged, by the Corporation, together with the amounts involved, and such report shall include such other information, and such comments and recommendations, with respect to the relation of small business concerns to the war effort, as the Chairman may deem appropriate.

The Senator will observe that Congress is holding control of this situation. We are demanding reports; we are going to insist on results; and I am sure that we can bring about such pressure that we will obtain results.

Mr. LA FOLLETTE. Mr. President, I hope the Senator is right about it, but I will say that the Congress has been so liberal and so generous and has piled up such a huge backlog of appropriations, to which there is about to be added \$18,000,000,000 more on top of the \$143,000,000,000 already appropriated or authorized for contracts, that it is a mistake to delude ourselves about how much power we have left.

I am not for one moment criticizing efforts to accomplish the desired objective, but I do want to make of record my own concern and apprehension, in the hope that we will not all go home after we have passed this bill tonight, rub our hands, and say, "The job has been done." It will not be done unless, as the Senator suggests, Congress stays with this question and never lets up on it.

Mr. MALONEY. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Connecticut.

Mr. MALONEY. I hope the Senator from Wisconsin did not mean when he suggested that it is no defense to talk about passing the buck that I was attempting to defend what was going on. I am completely in sympathy with the opinion and expressed views of the Senator from Wisconsin. I deplore the fact that small business has been overlooked. Time and again on the Senate floor and in committee I have condemned the practices which have existed. I was not attempting to defend anyone, but I was expressing the hope, with something

of confidence, that this bill would finally reach the industrialists and small businessmen who have been shabbily treated. I want the RECORD to show that I was not attempting to defend or to make any excuses for any of the agencies engaged in this work.

Mr. LA FOLLETTE. I understand the Senator's position, and I hope that nothing I said will be taken to have been critical of anyone else.

In conclusion, Mr. President, I wish to say that I think there is another aspect of this problem which should be emphasized. The discussion has turned largely on the proposal to obtain for so-called small business a share of the war contracts; that is important; but I hope we will not overlook the possibilities that remain for small business, which I know are recognized in this bill, insofar as supplying the domestic needs of the country are concerned, because here, it seems to me is a field which may, in the long run, prove more of a boon, more of a life preserver to the small business segment of our economy than war work itself.

Mr. O'DANIEL. Mr. President, I have expressed myself earlier in the day with respect to the Murray bill, Senate bill 2250; I have diligently listened, since that time, to the able speeches made by other Senators, and I wish to add my approval of everything good that has been said about the bill. I think it is an excellent bill, and it will prove, in my opinion, if properly administered, to be a great boon to the small business interests of this Nation which are now struggling for their very existence. However, this bill may prove to be another case of "too little and too late." More money might be needed than is provided by the bill, and, so far as being too late is concerned, I know it is too late for some of the small business concerns in my State. They have already had to curtail their operations and lay off hundreds of laboring people because they could not obtain contracts to manufacture war materials which they were qualified and equipped to manufacture.

I also wish to say a few words with reference to the labor situation as it pertains to the slowing down of production of war materials. After listening to the debate on the floor of the Senate yesterday, when time after time it was stated that any amendment with reference to labor could be added to the Murray bill or the Connally bill, I feel that I would be derelict in my duty if I did not take recognition of those statements and offer my amendments. If I were convinced that the Connally bill would receive consideration on the floor this week, I should be glad to defer the amendments which I have in mind until that bill comes to the floor, but seeing, as I did yesterday, the power that was put forth by my worthy colleague, the able senior Senator from Texas [Mr. CONNALLY], and realizing that his efforts did not gain results and that he was unable to get his bill to the floor for consideration, I hardly think that it is advisable for any other Senator to try to get a labor bill to the floor. If the senior Senator from Texas could not do so, I doubt if any other Senator would be successful. Not knowing that his bill will come before the Senate, I feel it

to be my duty to my constituents in the State of Texas to offer my labor amendments to the pending bill.

The amendments which I have in mind do not constitute a substitute for the Connally bill in any manner. They deal with different phases of the labor situation. I am in favor of the Connally bill, and intend to support it, if it ever gets to the floor for consideration; but I should also like to have these other matters come before the Senate. I know that I have two courses open: One is, of course, to offer an amendment to the pending bill, the Murray bill; the other is to offer it to the Connally bill if and when the Connally bill comes before the Senate. I believe in playing safe on the proposition, and offering my amendment to the first bill which is up for consideration, and, if it fails, then I may offer it to the second bill which comes before the Senate.

Mr. President, I can see no objection to offering an amendment such as I have in mind to the Murray bill, in order that it may come before this Senate for a vote. The Senators are all capable and are perfectly able to exercise their own right and vote the way they please.

The amendments will be either adopted or rejected, and the people of this Nation will then know how the Senators stand on this important legislation.

So, Mr. President, I wish to send to the desk two amendments, marked "A" and "B," which I should like to offer as amendments to the committee substitute for the Murray bill, Senate bill 2250, to receive consideration at the proper time, and to be inserted in the bill at the proper place. I should like to ask for the yeas and nays.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. O'DANIEL. I yield.

Mr. MURRAY. I plead with the Senator not to offer this amendment to the pending bill. The only effect of the amendment would be to destroy the bill, which is designed to do great good in our country. There are millions of small business men all over the United States today who are in danger of bankruptcy, and it seems to me that if the Senator from Texas attempts to destroy the pending bill by offering an amendment of this kind, he is doing a great disservice to the people of this country.

Small business is in danger of being wiped out, and it seems to me that the least Congress can do at this time is to make an effort to save it. Witnesses appeared before our committee and before other committees of the Senate. Ours is not the first committee which has handled this problem. The distinguished Senator from Wyoming [Mr. O'MAHONEY] has been interested in the subject for many years, and we all know the work of the Temporary National Economic Committee, which studied the problem for a long period of time, pointing out to the people that our democratic system, which is based upon small business enterprise, upon which our system was built, is in danger of being wiped out.

Here we are, after months of study of the problem, and we have brought in a bill which is really capable of solving the problem for the small business concerns

of the country, which are in danger of being destroyed. It seems to me that the Senator should listen to reason in a matter of this kind, and not permit his enthusiasm for his measure to induce him to submit his amendment at this time.

In addition to what I have already said, it would cause great delay.

Mr. O'DANIEL. Mr. President, I wish the Senator from Montana might be as generous in his consideration of my wishes in this matter as I am in the consideration of his. I heartily approve his bill, and I believe it is highly necessary. The Senate of the United States cannot cure all these evils with one stroke of the pen. I think many things can be done, among which is the enactment of the bill of the Senator from Montana, also the amendments which I am offering, because my amendments will also greatly benefit the small business enterprises of this Nation.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. O'DANIEL. I yield.

Mr. MURRAY. There is no emergency at present involved in the matter about which the Senator from Texas is talking. A very serious emergency confronts the country with reference to the small business problem. There are no strikes at the present time in factories engaged in war production. War production is increasing rapidly in every section of the country.

I have just received a newspaper from Seattle, Wash., the Seattle Times, in which it is stated that the Seattle plants are far ahead of the Nation in the adoption of the 7-day week. Listen to these headlines:

Shipyards either on or nearing program. Boeing workers expected to be set in 2 weeks.

This paper is dated March 25:

Organized labor and defense industry on Puget Sound were miles ahead of Washington, Wednesday, on the 7-day-week, 24-hourly work schedule, and proud of it.

We are witnessing a resurgence of sentiment all over the country in favor of the elimination of these disputes about labor. I think it will be found that in every part of the country labor is anxious to contribute its part to the prosecution of the war. If the war is to be won, it is going to be won by the workers of the country. I think this effort to slap labor in the face at this time is a crime, and I appeal to the Senator to withdraw his proposed amendment.

Mr. O'DANIEL. Mr. President, I can see that the able Senator from Montana makes a very good speech against what he guesses my amendments are. He opposes them, yet he does not know what they are. They have not yet been read to the Senate. I believe that if my amendments were read, he would have a better understanding of them. My amendments do not outlaw strikes or take away any honest rights from honest laboring people, but they do give added American rights and protection to honest laboring people. My amendments would outlaw force and violence in labor disputes, abolish restrictions on hours of labor, abolish overtime wages, and re-

move discrimination against nonunion labor. I have fully discussed these matters on previous occasion, and it is therefore unnecessary to discuss them again at this time. The amendments have been sent to the desk, and I hope they will be read, considered, and adopted.

The PRESIDING OFFICER. The clerk will state the first amendment.

The CHIEF CLERK. It is proposed to insert the following at the proper place in the bill:

That section 7 of the Fair Labor Standards Act of 1938 is amended to read as follows:

"Sec. 7. Every employer shall pay to any of his employees who are engaged in commerce, or in the production of goods directly or indirectly for commerce, compensation at the same rate for all hours worked by such employee during any pay period."

Sec. 2. Until the termination of the wars in which the United States is now engaged, (a) no provision of Federal or State law which limits or restricts hours of employment shall be applicable with respect to employees of any contractor who are engaged in the performance of work directly or indirectly necessary for the fulfillment of any contract between such contractor and the United States, and (b) no provision in any contract heretofore or hereafter made with the United States restricting or limiting the hours of employment of employees employed under or in connection with such contract, and no penalty or forfeiture for a violation of any such provision, shall be enforceable by any officer or agency of the United States.

Sec. 3. The act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, is amended by adding at the end of the first section thereof the following new paragraph:

"(f) When wage rates for regular hours of employment have been determined for the purposes of this act, the same hourly wage rates shall apply with respect to all hours worked during any day or workweek or other work period in employment with respect to which wages are determined under this section."

Sec. 4. (a) No employer shall enter into any contract or arrangement, or enforce or carry out the provisions of any contract or arrangement, which provides that with respect to employees engaged in interstate commerce or in the production of goods directly or indirectly for such commerce, or engaged in performing work under any contract with the United States, there shall be any discrimination against any person because he is or is not a member of a labor organization.

(b) No employer who violates the provisions of subsection (a) of this section shall, for a period of 2 years after such violation occurs, be eligible to enter into any contract with the United States; and no officer or agency of the United States shall enter into a contract with any such employer during such 2-year period. The Secretary of Labor shall keep the various contracting officers and agencies of the United States informed as to the names of employers who are ineligible by reason of this section to enter into contracts with the United States.

The PRESIDING OFFICER. The clerk will read the second amendment for information only.

Mr. MURRAY. Mr. President, I certainly do not think the bill should be encumbered with this extraneous matter, which has not been before a committee, and has not been given any consideration or study by the Senate. Therefore, I hope the amendment will be voted down.

The PRESIDING OFFICER. The clerk will read the second amendment for information only.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

It shall be unlawful for any person by the use of force or violence, or threat of the use of force or violence, to prevent or to attempt to prevent any person from engaging in any lawful vocation.

Sec. 2. It shall be unlawful for any person acting in concert with one or more other persons to assemble at or near any place where a labor dispute exists and by the use of force or violence, or threat of the use of force or violence, prevent or attempt to prevent any person from engaging in any lawful vocation, or for any person to promote, encourage, or aid any such assemblage at which such force or violence, or threat thereof, is so used. As used in this section, the term "labor dispute" shall have the meaning assigned to it in section 2 (9) of the National Labor Relations Act.

Sec. 3. Any person who violates any provision of this act shall, upon conviction thereof, be imprisoned for not less than 1 year nor more than 2 years.

Sec. 4. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

Mr. CLARK of Missouri. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. What is before the Senate at the present time?

The PRESIDING OFFICER. The amendment of the Senator from Texas [Mr. O'DANIEL].

Mr. CLARK of Missouri. Were these amendments read for information, or were they offered?

The PRESIDING OFFICER. The first one was offered, the last one was read for information only. The committee amendment is an entire substitute.

Mr. CLARK of Missouri. Were these amendments offered by the Senator from Texas?

The PRESIDING OFFICER. The first was formally offered, and the second one was read for information only.

Mr. O'DANIEL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Danaher	McCarran
Andrews	Davis	McFarland
Austin	Doxey	McKellar
Bailey	Ellender	McNary
Ball	George	Maloney
Bankhead	Gerry	Maybank
Barbour	Gillette	Mead
Barkley	Glass	Millikin
Bone	Green	Murdock
Brooks	Guffey	Murray
Brown	Gurney	Nye
Bulow	Hayden	O'Daniel
Bunker	Herring	O'Mahoney
Burton	Hill	Overton
Butler	Holman	Pepper
Byrd	Hughes	Radcliffe
Capper	Johnson, Calif.	Reed
Caraway	Johnson, Colo.	Reynolds
Chandler	Kilgore	Rosier
Chavez	La Follette	Russell
Clark, Idaho	Langer	Schwartz
Clark, Mo.	Lee	Shipstead
Connally	Lucas	Smathers

Smith	Thomas, Utah	Wagner
Spencer	Tobey	Walsh
Stewart	Tunnell	Wheeler
Taft	Tydings	Wiley
Thomas, Idaho	Vandenberg	Willis
Thomas, Okla.	Van Nuys	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present. The question is on agreeing to the first amendment of the Senator from Texas [Mr. O'DANIEL] to the committee amendment.

Mr. O'DANIEL. On my first amendment I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. SCHWARTZ. Mr. President, I am one of those Senators who are going to the people. I am one of those Senators who have been threatened at the ballot box. I wish to endorse what the Democratic leader, the Senator from Kentucky [Mr. BARKLEY] said on the floor of the Senate yesterday with respect to the labor question. I wish to endorse what the Senator from Montana [Mr. MURRAY] has just said. I shall vote against the amendments proposed to the committee amendment, for three reasons, and I shall only give the last reason. I shall vote against the amendments because there is an ancient rule of the Senate under which when we consider a bill, amendments dealing with any conceivable subject may be attached to the proposed legislation, so that our efforts become futile, and we in the Senate are impotent by reason of that old rule, which, like the laws of the Medes and the Persians, never changes. The laws of the Medes and the Persians did not change, but the Medes and the Persians are gone. I hope the time will soon come when the wise men of the Senate will conclude not to permit the offering of amendments which have no relation to the subject matter of the legislation being considered.

Mr. President, for the reason I have given, and I shall not mention the other two, I shall vote against the amendments to the committee amendment proposed by the Senator from Texas. I hope the time will come when the Senate will free itself from the shackles which now bind it.

Mr. TOBEY. Mr. President, when the Senator from Wyoming speaks of the wise men of the Senate I wonder whom he means? I thought all of us here were endowed with wisdom. Does any Senator deny this? What Senators does the Senator include in his remarks?

Mr. SCHWARTZ. Out of my great modesty I include all except myself. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the first amendment submitted by the Senator from Texas [Mr. O'DANIEL] to the committee amendment. [Putting the question.] By the sound the "noes" seem to have it.

Mr. O'DANIEL. I ask for a division.

On a division, Mr. O'DANIEL's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the second amendment submitted by the Senator from Texas [Mr. O'DANIEL] to the com-

mittee amendment. [Putting the question.] By the sound the "noes" seem to have it.

Mr. O'DANIEL. I ask for a division.

On a division, Mr. O'DANIEL's amendment to the committee amendment was rejected.

Mr. MALONEY. Mr. President, I submit an amendment which I send to the desk and ask to have stated. I suggest that my amendment follow the word "act" and the period in line 10, on page 12, being in subsection (e) of section 4.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 12, line 10, after the word "act" and the period, it is proposed to insert the following:

Notwithstanding any other provision of law all insured banks, as defined in paragraph (8) of subsection (c) of section 12B of the Federal Reserve Act, as amended, when designated by the Secretary of the Treasury with the approval of the Corporation shall act as depositaries, custodians, and fiscal agents for the Corporation, and when designated by the Secretary of the Treasury, shall be depositaries of public money, under such regulations as may be prescribed by the Secretary; and they may also be employed as fiscal agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them. The Secretary of the Treasury shall require of the insured banks thus designated satisfactory security, by the deposit of United States bonds or otherwise, for the safe keeping and prompt payment of the public money deposited with them and for the faithful performance of their duties as financial agents of the Government. In making his designations of depositaries and fiscal agents the Secretary of the Treasury shall not discriminate among the insured banks on the basis of the chartering or supervisory authorities under which the banks may operate.

Mr. MALONEY. Mr. President, originally only national banks were depositaries of Government funds. Later Federal Reserve member banks qualified as depositaries of Federal money. The amendment is self-explanatory. Its only purpose is to remove existing restrictions against other banks insured under the Federal Deposit Insurance Corporation. Under existing law the Corporation created under this measure would be prohibited from using the small banks of the country, and thereby the facilities of such banks. There is nothing mandatory in the amendment. It is entirely permissive, and is completely in keeping with the high purposes of the committee sponsoring the bill, which is to bring relief, and aid, and assistance to small business.

I may say that I have talked with the distinguished chairman of the Small Business Committee, and with such other Senators as I could, concerning the amendment, and I believe we are in complete accord with respect to it. I should like to say further that I offer it at the suggestion of the Chairman of the Federal Deposit Insurance Corporation.

Mr. MURRAY. I believe the amendment is proper, and I have no objection to it.

Mr. DANAHER. Mr. President, will my colleague yield to me?

Mr. MALONEY. Yes; I yield.

Mr. DANAHER. I thank the Senator. I am wondering if the language in any way conflicts with that which appears in lines 7 and 8, on page 12, providing that the Federal Reserve banks are authorized and directed to act as depositaries, and so on? I call that language to my colleague's attention in the thought that there may be some conflict, and I know that he will wish to resolve it if there be any conflict.

Mr. MALONEY. I discussed that matter with the Federal Deposit Insurance Corporation officials, who drafted the amendment, and they do not believe there is any conflict.

Mr. DANAHER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. MALONEY] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BROWN. Mr. President, I dislike to take the time of the Senate at this late hour. I tried to get the floor earlier, after the discussion of the bill by the able senior Senator from Connecticut [Mr. MALONEY] and the able senior Senator from Wisconsin. I feel, however, that, in justice to the Reconstruction Finance Corporation, a little should be said about what the R. F. C. has done. I introduce my few remarks by saying that I am in favor of the bill and shall vote for it. I and several other members of the committee were not in accord with the methods of financing that are proposed, but there was not great difference between us.

The Reconstruction Finance Corporation has been the servant of the Congress. It has operated under statutes which we have passed. The first test provided the R. F. C. as to making loans was substantially this: That the loan should be made on full and adequate security.

Subsequently that rule was changed. It so happened that I, as a member of the House Banking and Currency Committee, had the obligation of the revising of that particular section. We changed the test of safety so as to provide that loans should be made when there was reasonable assurance of repayment. That has been the rule up to the present hour, with the exception that the Reconstruction Finance Corporation was authorized in various ways to subscribe to the capital stock of banks and corporations, and finally to the capital stock of corporations engaged in the war effort.

Mr. President, by this bill we go a long way further. We provide that the Reconstruction Finance Corporation itself may make loans of any kind, to big business or small business, provided the loans are in aid of national defense. In this hour I think that is necessary. I think it is proper that we should do so; but I think it is somewhat unfortunate to criticize the Reconstruction Finance Corporation and those who have had it in charge for adhering to a rule that loans should be made only when there was reasonable assurance of repayment. If the Federal Administrator and the directors of the R. F. C. had opened the

doors of the Treasury, as we propose to open them in this bill—and, as I say, I am willing to do it in the interest of national defense—if they had not followed the law as it was they would have been subject to criticism; but I do not think they can be justly criticized for some rejections when they lived up to the rules and regulations which we established by law.

We go further in this bill. Again I say that I am glad we have done so. We go so far as to say that the War Production Board, a new corporation, with new directors to be appointed by Mr. Donald Nelson, shall be authorized to make loans and advances and subscribe to stock on such terms and conditions and with such maturities as the Board may determine. This bill should not pass without knowledge on the part of the taxpayers that we are risking \$100,000,000 on loans on an entirely new basis. There will be serious losses. They are inevitable. In my judgment, there is no restriction of law whatsoever upon the power of the members of the Board to make loans. There are no limitations. That language will be found in lines 11 to 13 on page 12. Again I say that I have been convinced by the testimony adduced by my friend from Montana and the other members of the Small Business Committee that we ought to go that far.

Mr. President, I do not believe that the criticism which has been made against those who have heretofore been in charge of our loan program can be justified when we consider the laws, rules, and regulations which we in the Congress have laid upon them. I do not want the Senate to feel that many loans have not been made to big corporations as well as to small corporations. I looked over one report of the Reconstruction Finance Corporation and found that it had made a loan of \$50. Possibly it was a loan to enable a small business man who had come to Washington and been turned down to get back home [laughter], but a loan that small was made. Of course, loans have been made running into hundreds of millions of dollars.

I think the RECORD should show that the Reconstruction Finance Corporation has made loans in connection with the national defense effort, not to rehabilitate banks and insurance companies, which was the original purpose of the R. F. C., but in aid of the defense effort, in excess of \$11,494,000,000. The Defense Plants Corporation has financed and contracted to finance the construction and expansion of more than 700 plants throughout the country for the production of ships, planes, tanks, guns, ordnance, magnesium, aluminum, steel, and synthetic rubber, to the amount of \$4,797,000,000.

In the aluminum expansion program the Defense Plants Corporation and the R. F. C. have made commitments aggregating \$423,000,000, which have increased the annual capacity for the production of aluminum by more than one and a quarter billion pounds, of aluminum sheeting by 360,000,000 pounds, and of aluminum alloy by 154,000,000 pounds. The same is true with regard to mag-

nesium, steel, tin, and many other strategic and critical materials.

With regard to rubber, to which the Senator from Connecticut [Mr. MALONEY] has referred, let me say that I was present at the committee meeting to which he alluded in his remarks. The Senator from Connecticut was the only member of that committee who urged the construction of synthetic rubber plants to the fullest possible extent. He was more farsighted than any of us in that respect; but I wish to say also that many other members of the committee, and many members of the Federal Loan Administration, were against going too far. The Army and Navy authorities advised the then Federal Loan Administrator, whose functions have been taken over by the Secretary of Commerce, that there was no real likelihood of interference with our supply of rubber. I am ready to concede that in that respect we were all wrong except the Senator from Connecticut. However, that is not the only time when many of us in the Senate, in the administration, and among the people generally have been wrong in our anticipation of events which have occurred since that time. I think that while a mistake was made, nevertheless a pretty good record was made by the Rubber Reserve Corporation.

Authority for the establishment of that Corporation was set up on June 25, 1940, and on June 29, 4 days later, an agreement was entered into by Mr. Jones in behalf of the Rubber Reserve Corporation, for an arrangement by which large quantities of rubber were purchased—as much as it was possible to purchase from the International Rubber Regulation Committee, a foreign governmental bureau which controlled 97 percent of the world's output of crude rubber.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. THOMAS of Utah. As a matter of history, does not the Senator from Michigan think he should go back to the Strategic Materials Act which, of course, started the building up of stock piles of rubber?

Mr. BROWN. Yes. I remember very well the efforts of the Senator from Utah, who handled that bill. That also was done; but I am talking about the meeting of the Banking and Currency Committee, to which the Senator from Connecticut referred, which resulted in the enactment of the bill creating the Rubber Reserve Corporation. The amount of rubber which the Corporation bought has been increased from time to time. The amount actually received and in transit to the United States is 673,000 tons, at a cost of \$292,000,000.

We now have a better stock pile of rubber than we have had at any time in our history. Because of the fact that we have to consider the problem of supplying Great Britain, Russia, and the United Nations, and, because we are using more rubber for military purposes than was ever before contemplated by any of us except possibly the able Senator from

Connecticut, it has been necessary to have a very strict rationing of our rubber supply.

The subject of synthetic rubber was discussed by representatives of the National Defense Council in the fall of 1940, almost 18 months ago. Mr. Stettinius advised the building of plants sufficient to manufacture 100,000 tons of synthetic rubber a year. This matter was discussed with the President, and the sum of \$25,000,000 was authorized for that purpose. As is well known because of the recent disclosures relative to the relationship between the Standard Oil Co. and I. G. Farbenindustrie, of Germany, patents upon the synthetic process were not readily available to American companies or to the Government of the United States itself, and the oil and rubber companies were unwilling to spend any of their own money in manufacturing synthetic rubber, because they, like the military and naval authorities of the United States, thought the supply was secure.

In the testimony of the then Federal Loan Administrator on May 8, 1941, he said:

It would seem that we have rubber enough to run for at least a year and a half, if we were cut off tomorrow from the supply of natural rubber, and we could build synthetic rubber plants within that time.

At that time estimates were brought to the Federal Administrator showing that we had a supply sufficient for two and a half years, but he cut it down to a year and a half. The problem of synthetic rubber was generally discussed in the committee; and it was the consensus, against the judgment of the Senator from Connecticut, that limited operations should be undertaken for the building of synthetic rubber plants. The President concurred in that course. Shortly thereafter agreements were concluded with the rubber companies and producers of chemicals and oils for the construction and operation of plants, and plans were made to increase the total annual capacity of synthetic rubber plants in the United States to 100,000 tons a year.

I detail these figures to some extent to show that a reasonable effort was made at that time; and while it may be conceded that Mr. Jones, the President, and members of the Banking and Currency Committee who set up these organizations, did not have the foresight to see Pearl Harbor, we are not by any means the only ones in that position.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BAILEY. I dislike to interrupt the Senator, but he seems to be exceedingly well informed on this bill. I wish to ask him a question: Does not the bill as it stands authorize the Corporation proposed to be created under the terms of the bill to lend any amount of money to anybody, for any purpose, and on any terms, without security?

Mr. BROWN. The Senator is correct, if he will add one qualification. The purpose of the loan, I believe, from a view of the whole bill, must be in furtherance of the national defense effort.

Mr. BAILEY. The language is "essential materials"; and materials would be essential or not, depending upon the judgment of the lending corporation.

Mr. BROWN. The Senator is correct.

Mr. BAILEY. That means anything.

Let us look at it for a moment. I wish to support the proposed legislation; but if I were on the board and should loan a fellow Senator or one of my constituents \$100,000, there would be no way to punish me for embezzlement, fraud, or misapplication of public funds. There would be no way to attack such a transaction. We propose to give the members of the board absolute leeway. A member of the board or a majority of the board might lend \$100,000 to some person, or buy some land from someone, in utter disregard of common sense or common honesty, on the theory that it was essential. Under the terms of the bill, would there be any way to attack such a procedure?

Mr. BROWN. I think the administration is entirely up to the five-man board proposed to be created by the bill. What they might do would not be reviewable so long as they did not violate the criminal law.

Mr. BAILEY. We propose to run a gift enterprise; it is not a national defense affair. It is proposed to deliver \$100,000,000 to an unknown board, to be selected by the President.

Mr. BROWN. No; the Senator is mistaken. The members of the board are to be selected by Mr. Nelson, Chairman of the War Production Board.

Mr. BAILEY. Very well; that is the same thing. He is chairman of one of the alphabetical agencies. I do not try to keep up with them. The Chairman of the War Production Board would select the members of the five-man board, and the members of the five-man board would go forth with \$100,000,000 with absolute liberty and without check, to lend the money to anyone, for any purpose, anywhere, or to buy plants and hand them over.

I am interested in the matter of defense, and I am interested in preserving the small businesses of the country. I am interested in keeping them going. While we carry on the war the population must have a means of livelihood. The proposed legislation relates to \$100,000,000 of the money of the people and of the Government, money which we hold in trust, insofar as we hold it at all. I do not think we hold it at all; but insofar as we profess to hold it, we hold it as trustees. Whose money is it? It is the money of the people and of the Government. We are mere trustees. No one of us would lend his own money in the way proposed. If one of us were appointed guardian of a child and were to lend the child's money in this way, he would find his way to the penitentiary. He would be held, first, for waste; and immediately upon the appearance of fraud he would be held for crime.

I wish to vote for the pending bill; but I respectfully suggest to the able Senator who has the floor and to the Senator in charge of the bill, the chairman of the committee, that we have not reached the

stage at which we must turn everything loose. We have not reached the stage—I hope we never shall—at which we shall be exculpated from our responsibilities. We are still liable. We cannot exonerate ourselves; we cannot deliver ourselves from the responsibilities with which we are charged as Members of Congress; yet that is precisely what is proposed to be done. It is proposed to turn over \$100,000,000 to five unknown men, to be loaned on any terms to anyone, anywhere, for anything, without check and without accounting. I do not think that is good judgment; I do not think it is good business; I do not think it is good sense; I do not think it is good defense. I think it is laying our defenses open.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McFarland in the chair). Does the Senator from North Carolina yield to the Senator from Montana?

Mr. BAILEY. I yield.

Mr. MURRAY. I think the Senator overlooks the fact that the agency which we are undertaking to create is not to be a mere loaning agency.

Mr. BAILEY. No; I do not. I beg the Senator's pardon.

Mr. MURRAY. We are engaged in a great war, and we must trust someone. We must trust an admiral in the Navy. We do not suspect that he will sell out to the Japs if he is engaged in a battle. That is the situation in which we are engaged at the present time. We are engaged in a battle of production; and the main purpose and object of the pending bill is to utilize the productive capacity of the country by bringing into production as promptly as possible all the capacity of the small plants of the Nation.

This country's production program is set up under Donald Nelson. We must trust him; we must depend on him, or else we shall be lost. How else can we proceed? We must have some way to enable the small plants of the Nation to participate in the production program. At the present time 49 percent of them are not utilized, and if we are to utilize them we must have some way of doing it. The proposed method is the way we figured out by which the program could be accomplished. We decided on the proposed method after lengthy studies and after conferences with Mr. Nelson, the head of the War Production Board. We decided that the proposed method was the only effective and practical means of bringing into production the small plants.

The Corporation which would be set up under the terms of the bill would be staffed by able competent men who would determine the capacity of such plants to participate in the program, and, having done that, they would determine the amount of funds necessary to enable them to do so. That is a very simple matter.

Of course, if Mr. Nelson and the members of the Board are dishonest, we shall be out of luck, but we must trust someone. I have full confidence in Mr. Nelson. We must trust General MacArthur

in the Pacific; we must trust the admirals of the Navy; and we must trust someone in connection with production.

Mr. BAILEY. Mr. President, let me reply to the Senator's speech. The Senator suggests that, because we must trust the general of an army or an admiral with the fleet, we should therefore take public money and "trust" it out. That is a nonsequitur. It does not follow. The admiral goes forth under his oath and under the high command, and he is accountable; he will be court-martialed if he does not discharge his duty, if he needlessly risks the life of his men, or if he needlessly risks the ship itself.

It is not proposed that such a check be put on the members of the board to be set up under the terms of the bill. The Senator has stated the matter correctly. We raise the presumption that the members of the board will be honest and will do the honest thing—a very fine presumption—but the history of the world does not justify such a presumption.

I read the book by Lin Yutang on My Country and My People. Mr. Yutang is Chinese. In the book he said that the people of China would not have auditors for public servants. They put the funds into the hands of the public servants and have no accounting—on what theory? On the theory that the public servant is a gentleman, and that a gentleman should not be inspected. So we have no graft among gentlemen.

We are not going that far at the present time. Ultimately we may reach exactly that point. The pending bill looks in that direction.

On page 12, in connection with the words "essential articles," or wherever the words "essential articles" are found, I suggest that we strike out the words "essential articles" and insert the words "articles essential to the national defense."

I wish to go further than that, and suggest another amendment, that it shall be found that any person, firm, or corporation borrowing this money can be reasonably relied upon, in the judgment of the lending board, to perform the services of essential national defense.

I would then insert a clause, finally, that there should be an accounting to the Congress of the money loaned from month to month, for the purpose of letting us understand just what was going on.

I think that if we make these amendments we will not hamper the national defense, we will not eliminate any active and useful industry, but we will at least have taken some steps to convert this purported or actual gift enterprise into something in the nature of effectual effort to enable people all over the country in good faith to aid in the national defense.

I realize we are all at the point where we feel that we must vote for the proposed legislation, and I am willing to vote for it, but I do ask that we shall put some safeguards around it if for no other reason than to justify the confidence of the good people who in their innocence and wisdom elected us to these positions of trust, and put us in

charge of the power to tax them, the power to borrow money in their names, and the power to spend money. We are unchecked, but they intend that we shall check all those who handle the public funds, and they will be disappointed most of all if we provide for the unchecked and unlimited lending of money without any recourse, and without any accounting. So I do ask that the bill be amended to the extent I have suggested.

Mr. BROWN. In section 5 of the bill on page 13 there is a requirement that the War Production Board shall make a report every 60 days of its operations under the act to the President of the United States, to the President of the Senate, and to the Speaker of the House of Representatives.

Mr. BAILEY. I see that provision.

Mr. BROWN. My purpose in rising as I did was twofold, first, to let the country know from someone on the Committee on Banking and Currency that we were authorizing the appropriation of \$100,000,000 under these circumstances. I, for one, think that there will be heavy losses, but also for the reasons which the Senator from North Carolina so well put, I am reluctantly willing to assume the responsibility of voting \$100,000,000 for this purpose, knowing that we will suffer severe losses.

I think there is perhaps some justification for the complaint that little business has not received as good treatment as has big business. I think the blame for that is upon Congress rather than upon those who administered the act, and because of that fact I have been willing to go along.

The majority leader, the Senator from Kentucky [Mr. BARKLEY], the senior Senator from Virginia [Mr. GLASS], the Senator from Maryland [Mr. RADCLIFFE], and several others of us, tried to write in some further safeguards, but we were defeated in the committee, but, as I stated earlier in the debate, for the purpose of getting unity, for the purpose of presenting a united front to the country, and of solving this problem, I was willing to go along. But I was not willing to go along without letting the country know that we are authorizing the appropriation of \$100,000,000, a part of which in my judgment will be lost. I think it is better that the country should know that before the loss occurs rather than afterward.

Mr. McKELLAR. Mr. President, will the Senator from Michigan yield?

Mr. BROWN. I yield.

Mr. McKELLAR. I have not been present during the debate, having been busy in committee work all day, and have not had a chance to hear much of the argument, but I have just heard the suggestions made by the Senator from North Carolina. It seems to me that his suggestions are exceedingly reasonable, and I appeal to the Senator to agree to the amendments, which are in the interest of fair and square dealing. It seems to me they should be a part of the bill.

Mr. BROWN. The Senator from Tennessee should know that I am not in charge of the bill.

Mr. McKELLAR. The Senator from Montana [Mr. MURRAY] is in charge of the bill, I know.

Mr. BROWN. I am satisfied to go along with the bill as written, with some reluctance; but I felt that these matters should be called to the attention of the Senate. The Senator from Montana is in charge of the bill.

Mr. McKELLAR. I appeal to the Senator from Montana to agree to these very reasonable amendments.

Mr. MURRAY. I have not seen the amendments, and I do not know what they provide. The whole purpose of our committee and the whole purpose of the bill is to provide a flexible method of financing small concerns in order to bring them into the production effort. If you are going to hamstring it, and prevent small business from participating in the defense program, you might as well vote the bill down.

Mr. McKELLAR. Quite the contrary, the provisions which the Senator from North Carolina has suggested would not hamstring the bill at all.

Mr. MURRAY. What are they?

Mr. McKELLAR. He would merely provide a reasonable, proper method of dealing with the funds, in the interest of the recipients. It will be better for them, it will be better for us, it will be better for the country, in my judgment, and I hope the Senator will look at the amendments, and agree to them.

Mr. TAFT. Mr. President, will the Senator from Michigan yield?

Mr. BROWN. I yield.

Mr. TAFT. I did not hear the suggestion of the Senator from North Carolina, but as I caught them, one thing for which he asked was a full report. Of course, we have provision for such a report in the bill.

Mr. BAILEY. I may say to the Senator that I suggested a 30-day report. The bill provides for a 60-day report. I would not debate about that, if I may have the other amendments agreed to.

Mr. TAFT. I do not know what the other amendments are.

Mr. BAILEY. On page 12, line 17, I propose to insert after the words "manufacture of" the words "articles essential to the national defense." That would confine the lending, at any rate, to the national defense. Then on page 13, line 3, I would insert the same phrase after the word "articles," at the end of the line, so as to read "articles essential to the national defense." Then at the end of the paragraph, in line 19, on page 13, I would add the words: "Provided, That no loan shall be made unless the borrower is approved as capable of performing the work in contemplation."

Mr. TAFT. Approved by whom?

Mr. BAILEY. By the lending board.

Mr. TAFT. I certainly see no objection to that. I assume that would be implied. They certainly would not lend unless they thought the loan was all right. I see no objection to that.

As to the other question, of course, the Senate can do as it pleases, and the main purpose is undoubtedly to provide for the manufacture of articles for war purposes. It is also true, however, that in the effort in which we are entering, every purpose is a war purpose. There will be no production in the United States that is not either for the war itself or for a reduced civilian supply. Let us take the

automobile industry, for example, although that is not a very good illustration. They might say, "We will convert all the large plants to the manufacture of automobiles or tanks for the Army, but we will manufacture 100,000 automobiles a year in some smaller plants, and we will have to finance them to provide 100,000 automobiles a year for civilian use"—if that is what we are to finally come to, and I think very likely it may be.

I think the scope of the bill would be limited thereby, and I do not see any great purpose to be accomplished in so doing. We are dealing with the War Production Board now, and they certainly are not going out and loan money for all kinds of indirect purposes. They are concerned solely with the war, and they are not going to loan money to a company to produce civilian supplies unless they think the civilian supplies are essential as a part of the entire picture. So, personally, I should rather not have the language "essential for war," but simply the word "essential," so that the board itself may determine whether the work is in fact essential. I think we can be certain that during the war—the measure has a life of only 3 years, I think—the authorities will not go out and finance unnecessary activity.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. MURRAY. I think the Senator from Ohio has correctly stated the attitude of the committee with respect to the proposed amendment. I would have no objection to the first amendment proposed by the Senator from North Carolina, but the second amendment, in which he undertakes to amend subdivision (2) of subsection (f) of section 4 would completely alter the purpose and object of the bill. Subdivision (2) of subsection (f) undertakes to provide for the manufacture and production of essential civilian articles. There may be some articles which will be absolutely essential in civilian life if we are to prosecute the war successfully. I do not know whether this would be a proper explanation of what might be done under the bill, but suppose it were necessary for us to establish a few processing plants for the purpose of processing sugar beets. That would be an essential civilian production. We might find ourselves in the situation of not being able to prosecute the war successfully unless we have some civilian production of that character. So I shall oppose the second amendment proposed by the Senator from North Carolina, because it would destroy the very purpose and object of that provision in the bill.

So far as the third proposed amendment is concerned, I do not quite get the purport of it.

Mr. BAILEY. I suppose this language would ruin the bill also, but I still think there is some sense in it: "Provided, That no loan shall be made unless the borrower is approved as capable of performing the work in contemplation."

Mr. TOBEY. "Approved" or "proved"?

Mr. BAILEY. "Approved." I do not see how it can be said that that language would ruin the bill. The thing in mind here is to lend out money to anyone,

whether or not he is approved, or whether or not he can do the work, but my idea is that when we legislate we should restrict the matter of spending money as much as we can.

Mr. MURRAY. That language does not, in my estimation, add anything to the bill or take anything from it. That is exactly what the bill was intended to do. I can agree to that.

Mr. BAILEY. But the bill does not so say, Mr. President.

Mr. MURRAY. The bill provides that the Corporation is to investigate all corporations or plants which are able to perform this work, and having determined that they are competent and capable to take the contracts, then the next step is to finance them, if it becomes necessary to do so. Of course, they would not lend money to a plant or corporation which is utterly incapable of carrying out a contract. That would be absolutely absurd, of course. There is no intention of lending money to a plant which is incapable of delivering the goods and performing the contract. I think that as the bill stands it is quite clear that that is what is intended to be done.

Mr. BAILEY. Mr. President, I do not care to carry on the debate further. I know the intentions of the Senators are very good. I would not think of raising any question about the intentions, but legislation ought to carry on its face the intent of the legislators.

Mr. MURRAY. I have no objection to the last amendment.

Mr. BAILEY. I have seen many good intentions in the Government and much money wasted, too, with good intentions. I will not go into that detail.

Mr. MURRAY. I have no objection to the last amendment offered by the Senator from North Carolina.

Mr. BAILEY. I want to restrict the bill to the purpose we have in mind, and to express the intent so far as we can.

Mr. MURRAY. Certainly. I have no objection to the Senator's last amendment. I merely say that was the purpose and object of the committee in working out the bill.

Mr. BAILEY. Then I offer the amendment in the hope it will be supported. At any rate it will give the lending authority something to lean upon, something to rest upon.

The PRESIDING OFFICER. Does the Senator from Michigan [Mr. Brown] yield for that purpose?

Mr. BROWN. Mr. President, I think I shall finish my few remarks, and then we will take up the amendments proposed by the Senator from North Carolina. I want to finish what I had to say about rubber by saying that the present authorizations will result in a minimum production of 700,000 tons of rubber annually. I am advised that 600,000 tons is our normal consumption of rubber, and that the investment in this new productive capacity is now \$600,000,000. If construction materials are made available to the contractors, facilities for the manufacture of 90,000 tons per year will be completed this year, 250,000 tons by June of 1943, and the entire amount of

700,000 tons will be available at the end of 1943.

Mr. President, briefly I want to mention some of the larger totals of loans made to many corporations producing critical and strategic materials. On aluminum, \$245,000,000. On copper, \$226,000,000. On lead, \$117,000,000. On manganese, \$132,000,000. On refined tin, \$207,000,000. On tin ore, \$129,000,000. On tungsten, \$154,000,000. On zinc, \$146,000,000. On domestic scrap material, \$720,000,000. A grand total upon those and many other smaller commodities, of \$2,215,000,000.

Mr. President, I shall conclude my remarks by saying that notwithstanding my reluctance to give such power to the War Production Board, or the board of directors which are to be appointed by the Chairman of the War Production Board, I feel that it is necessary to do so. I had hoped, and the Senator from Maryland [Mr. RADCLIFFE], the Senator from Utah [Mr. MURDOCK], the Senator from Iowa [Mr. HERRING], the Senator from Virginia [Mr. GLASS], and the Senator from Arkansas [Mr. SPENCER], and I think possibly one or two other members of the committee, feel that this authority to loan should be separated from the authority to sublet contracts to various manufacturers, and that that authority at least to a limited extent should be left in the Reconstruction Finance Corporation. The majority of the committee disagreed with us in that respect. We feel that the job could well be done by the R. F. C. officers, who have had experience along this line.

We then proposed that the officers of the R. F. C., because of their ability to service and collect loans which they have made, should be given at least that authority, and that they should make loans upon the direction of the War Production Board or the directors of the Smaller War Plants Corporation. That the authority should be in the Smaller War Plants Corporation or the War Production Board to direct the making of the loans; but that because of the experience of the officers of the R. F. C., because of the fact that they have officers here and there throughout the country, because they have a large amount of loans out, and a system of bookkeeping and agents, and so on and so forth, they should be given the job of servicing and collecting those loans.

We lost in that respect, except for an insufficient section which I fear is unworkable.

Again I say in the interest of unity, after talking the matter over with the members of the committee who felt as I did, and after discussing the matter quite thoroughly with the administrative authorities downtown, I decided that so far as I was concerned I should go along with this bill. I hope it will do what its proponents say it will do.

I want to say that Mr. Jones and his associates have in my deliberate judgment done all that they could reasonably do under the tests laid down by law. Of course, mistakes have been made and will be. However, the administration

of the business of loans by a Government bank, a difficult task, has been one of the many bright spots in the Roosevelt administration. We are in far better shape to fight this war because of wise and intelligent direction of our financial aids to the war effort.

I hope the bill will enlist small business throughout the country. The expenditure of \$100,000,000, a portion of which will come back to the Treasury of the United States—some of it will not, of course—will certainly stimulate business throughout the country.

Referring to the comments of the Senator from Wisconsin [Mr. LA FOLLETTE], I wish to say, as the Senator from Connecticut told us, that he need have no worry about the proposed board having any connection with any of the former lending authorities in the Department of Commerce or under the Federal Loan Administration. The job will be done entirely by the War Production Board and it will have the responsibility.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LA FOLLETTE. I had not intended by anything I said to refer to the loan policy of the Federal Loan Agency. My remarks were directed to the executive branch of the Government, which has had the power and the responsibility in connection with letting billions of dollars worth of contracts.

Mr. BROWN. I thought that was the attitude of the Senator from Wisconsin, and I so understood it; but some of the remarks since made indicated that Senators thought the Senator was talking about the lending authority rather than the contracting authority.

In conclusion, let me say that the general purposes of the bill were approved by Mr. Nelson. The financing part of the bill was not directly approved by him. He made the statement that it did not make any difference to him whether the loans were made through his board or through the R. F. C. The bill has not met with the approval of the War Department and some of the other agencies. As is well known, another lending agency has been set up by Executive order. I think that the two lending agencies, and possibly one more which is in contemplation, could well supplement one another.

I conclude by saying that, despite my objections to some portions of the bill, despite my objection particularly to the failure to give the R. F. C., with its long experience, the authority to service the loans, nevertheless I shall support the bill, and I look for considerable aid to the war effort and to small business men everywhere by it.

Mr. BARKLEY. Mr. President, may I inquire of the Senator from Montana whether there is to be further debate? I understand that a yea-and-nay vote is desired.

Mr. MURRAY. I think we can complete consideration of the bill in a few minutes.

Mr. BARKLEY. We must have a session tomorrow, anyway.

Mr. MURRAY. I am sure we can complete the consideration of the bill within a few minutes.

Mr. BAILEY. Mr. President, I offer the amendments to which I have referred.

The PRESIDING OFFICER. The amendments offered by the Senator from North Carolina will be stated.

The CHIEF CLERK. In section 4, on page 12, line 17, after the words "manufacturer of" it is proposed to strike out "essential articles" and insert in lieu thereof "articles essential to the national defense"; on page 13, line 3, after the words "production of", it is proposed to strike out "essential articles" and insert in lieu thereof "articles essential to the national defense"; and on the same page, at the end of line 19, it is proposed to add the following proviso: "Provided, That no loan shall be made unless the borrower is approved as capable of performing the work in contemplation."

Mr. LA FOLLETTE. Mr. President, if it is agreeable to the Senator from North Carolina, I suggest that the first two amendments be voted on en bloc, and that the third amendment be voted on separately.

Mr. BAILEY. I offered the three amendments in order that the matter might be before the Senate. However, it is certainly proper to separate the last one from the other two.

Mr. MURRAY. Mr. President, I am in favor of accepting the first amendment, but I am not willing to accept the second amendment, in subdivision (2) of subsection (f) of section 4, because it would completely change the purpose of the bill. That subsection of the bill is intended to enable the Small Plants Corporation to bring about the manufacture of essential civilian articles. The amendment would change it entirely. Of course, if the Senate feels that we do not need any civilian materials in the United States during the prosecution of the war, that is a different situation.

Mr. BAILEY. Mr. President, the Senator asks me a question. I do not feel that way at all, but I do feel that the broad lending power in the bill should be limited to the necessities of national defense. It may be that the production of sugar is a necessity of national defense. The Senator might say that it is civilian production, and I might say that it is production for national defense. As George Washington said, "I wish to erect a standard to which the just and the honest may repair." That is all I have in mind. As it is, anything can be done. I wish to limit such loans to the necessities of national defense. I shall ask for a vote on the question.

Mr. McNARY. Mr. President, this is a very important measure, and I think we are all in agreement with its objectives. The hour is late, and I should like to study the amendments which have been offered by the distinguished Senator from North Carolina. Keeping that in mind, I hope the Senator from Montana will be willing to recess until 12 o'clock noon tomorrow so that we may have an opportunity to go over the amendments and study them. I think that would be a very much safer way of legislating. It would mean postpone-

ment for only a day. There is no particular hurry about passing the bill tonight. Is the Senator agreeable to that suggestion?

Mr. MURRAY. The only remaining matters are the amendments offered by the Senator from North Carolina, consideration of which would require only a few moments.

Mr. McNARY. I think it would require considerable time. They are very important. The able Senator from North Carolina has made some suggestions which we should consider. It is now late, and I doubt if we could have opportunity this evening to go thoroughly into the matter. In the interest of better legislation, I suggest that the Senate recess until 12 o'clock noon tomorrow.

Mr. MURRAY. If the Senator feels that we should let the bill go over until tomorrow, I have no objection.

Mr. McNARY. I thank the Senator.

The PRESIDING OFFICER. The amendments offered by the Senator from North Carolina will be printed.

CONSTRUCTION OF PIPE LINE AND WATERWAY ACROSS NORTHERN FLORIDA

Mr. PEPPER. Mr. President, I apologize to the leader and to all other Members of the Senate. I wish to speak for about 5 minutes before the Senate takes a recess. I contemplated speaking earlier. I hope I may do so now.

I shall ask unanimous consent to introduce a bill and have it appropriately referred. By way of explanation, let me say that it relates to the acute situation which now exists with respect to transportation facilities between the Gulf coast area and the Atlantic seaboard. We all know that gasoline sales are now being restricted along the whole Atlantic seaboard. That is because of the extent to which there has been a diversion of tankers and coastwise shipping facilities.

It is not commonly known that there is a greater movement of domestic commerce by inland waterways, lakes, and facilities of that character than by all other methods. So in fact we have only three ways by which we may expect the movement of commodities between the Gulf area and the Atlantic seaboard to be effectuated. One of them is by rail; another by motor transport; and the third by water.

I am informed that the executives of the railroads have announced that of necessity their facilities are not susceptible to any considerable degree of expansion. As a matter of fact, if they are able to repair and replace the facilities which they now have, they will be fortunate indeed.

Motor transport can hardly be expected to contribute very much in addition to what it is contributing, or indeed, as much as it is now contributing, because of the existing shortage of rubber, which promises to become more acute. Therefore, the burden of the commerce will have to be carried by waterways.

What I am proposing, Mr. President, in the bill which I shall ask unanimous consent to introduce, is that the President be authorized to provide the means

and method whereby there may be an improvement in the situation, by the construction of a pipe line to carry oil commodities from the Withlacoochee Bay, on the west coast of Florida, a distance of 82 miles to the St. Johns River. It is not ordinarily known that from that point the St. Johns River runs a distance of about 20 miles to the Atlantic Ocean. Therefore, by the construction of a pipe line only 82 miles in length, transportation by barge of petroleum ingredients from the Gulf area, whence they come, to the mouth of the Withlacoochee River would be possible. The major part of that transport operation would be by means of a protected, intracoastal canal which runs almost from Mexico to St. Marks, Fla., a relatively short distance from the mouth of the Withlacoochee River in Withlacoochee Bay to which I refer. Then, when the oil should be delivered at the St. Johns River for transportation in barges, it could be transported through a protected inland waterway all the way to Trenton, N. J. Thereby, I believe it would be possible for shipments of gasoline to reach the Atlantic seaboard from the producing area, and thus to a considerable degree alleviate the shortage.

Mr. President, I propose the foregoing as a temporary method of relief. The more permanent and the more desirable method of relief, I believe, is to construct a sea-level barge canal across northern Florida, along the route which I designate on the map for a pipe line. Such a barge canal with a depth of 12 feet and a width of 150 feet could be constructed in about 18 months, and to a depth of 9 feet it could be constructed in about 15 months. Then it would be possible to have uninterrupted transportation by barges all the way, for example, from Port Arthur or from Galveston, Tex., or from New Orleans, along the inland waterway route through the Gulf area, to the west coast of Florida, and then, by covering a very small area which is not inland waterway, to the mouth of the Withlacoochee River or Withlacoochee Bay; thence across the State of Florida, a distance of 82 miles, into the protected waters of the St. Johns River, thence out on the Atlantic seaboard, thence into the intracoastal canal which runs along the Atlantic coast all the way up to Trenton, N. J.; and on the entire route a draft of 12 feet could be carried.

As the situation is now, it is not generally recognized that two intracoastal waterways come to a dead end in Florida. Of course, the United States did not go to great expense to build an intracoastal waterway all the way from Mexico to St. Marks, Fla., and all the way from Boston to Miami, Fla., simply for the purpose of serving Florida. As a matter of fact, Florida sticks out like a thumb, as it were, along the Atlantic and Gulf coasts; and the proposed waterway would make possible the use of the two intracoastal canal facilities, which already have been constructed at large expense.

That, obviously, I think, will be found to be the first stage in the construction of the Florida ship canal. I know that time after time it has been said and thought on the floor of the Senate and

elsewhere that the proposal for the Florida ship canal was some sort of a boondoggling scheme whereby Florida was attempting to get some money out of the Public Treasury.

Mr. STEWART. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I am glad to yield.

Mr. STEWART. As the Senator knows, I have been interested in the same matter for some time, and have discussed it with the Senator in the Committee on Inter-oceanic Canals. I have been wondering about the matter ever since there have been so many sinkings of tankers and other merchant vessels, particularly along the Atlantic seaboard; that is to say, I have been thinking along the line of the building of a canal, and I have been wondering whether, if such a canal were constructed, it would in anywise reduce, under the present set-up, the number of sinkings of vessels.

Mr. PEPPER. I was about to come to the point suggested by the Senator, and I appreciate having the able Senator from Tennessee anticipate my statement. I invite the Senators' attention to the large map at the side of the Chamber. No person can look at the map of the Caribbean area without seeing corroboration of the statement which I have had made to me from what I regard to be responsible and authoritative sources, that in a very short time that canal, if in existence, would result in the saving of enough ships to equal the total cost of construction of the canal.

If any Senator will look at the map which is before us he will see that, from the Panama Canal, there is an inland and protected route all the way up the east coast of Central America, through the straits of Yucatan, across the Gulf of Mexico, to Withlacoochee Bay, which is the western entrance of the proposed canal, and then, of course, there would be a protected area across the State of Florida, so that a vessel which left the Panama Canal en route north to regions in the neighborhood of New York, Philadelphia, and other cities along the northern section of the Atlantic seaboard would not have to go out into the submarine-infested area of the Caribbean until it exited the canal at the mouth of the St. Johns River, on the Atlantic Seaboard, outside Jacksonville. Therefore, any Senator can see what a great duty of convoy the Navy would be relieved of, and what advantages of inland protection our merchant ships transiting the area to and from the Panama Canal would receive if such a canal were in existence.

Mr. STEWART. Mr. President, will the Senator yield again?

Mr. PEPPER. Yes; I yield.

Mr. STEWART. I understand that most of the tankers which have been plying the Atlantic coast, transporting oil and gasoline to the eastern seaboard as far north as Philadelphia and New York are coming from Galveston, Tex.

Mr. PEPPER. They are; I was about to refer to the fact that they are coming from Galveston, Tex.

Mr. STEWART. The building of the canal in northern Florida would materially reduce the distance required to be traveled by such vessels, would it not?

Mr. PEPPER. Let me quote to the Senator an authority which I believe is as good as any to which I could refer: That is Gen. Edward M. Markham, who, when Chief of Engineers, recommended favorably the construction of the Florida ship canal. A short time ago he was in Washington. He was in the Senate Office Building, and, as he walked down the hall, he noticed the door of my office; but since I was not there at the time, he ascertained my whereabouts, and telephoned to me, saying "Senator, I just wondered if you will mention to your colleagues that if the Florida ship canal were in existence it would be the equivalent of adding 14 percent to the number of tankers we now have in use or in the custody of the United States Government and its citizens."

In other words, the reason for his statement is that, by the use of the Florida ship canal, 23½ hours' time would be saved in making a round trip from the Gulf area to the Atlantic area. That would mean that if the canal were in existence every trip made by vessels transiting it would save 23½ hours in elapsed time. Senators can calculate that that was what General Markham had in mind when he said that the existence of the canal would have the effect of increasing by 14 percent the tankers of the United States.

Today we know how badly we need additional tankers. Because the tankers had to be diverted to our foreign trade we have had to return to the expedient of the pipe line and to resort to rationing. I am informed that the total diversion has been about 73 percent; and that means that we have relatively few tankers left in our domestic service.

Senators will also remember the dimensions which the Army engineers have recommended as a minimum: 400 feet in width at the narrowest part of the canal, and a uniform depth of 33 feet. Practically all commercial vessels and all the vessels of the Navy except the largest ones, could transit a canal of such dimensions; certainly, oceangoing vessels in commercial trade could do so.

So, if President Roosevelt, who back in 1934 or 1935 recommended to the Congress the construction of the canal, if Senator Joe Robinson, the esteemed predecessor of our present eminent majority leader, fought the battle for the Florida ship canal, which certainly did not interest the Senator from Arkansas unless it had a national virtue, and if other Members of the Senate who fought for the Florida ship canal, when the President was derided and denounced by some for proposing such a "foolish" project, had been successful in their effort, at the present time the canal would be in existence, and the tanker fleet of the United States would today be 14 percent larger than it is.

I regret that, somehow or other, so many people in the country, and particularly some in the Congress, I am sorry to say, have never been willing to regard the canal on its own merits and fail to remember that it was recommended by the Chief of Engineers of the United States, by the Board of Engineers, and by the President of the United States. The President sent a letter to the senior Sen-

ator from North Carolina [Mr. BAILEY] 2 years ago, when the Senate voted on this question, saying that, in the interest of national defense and in the interest of commerce, the construction of the Florida ship canal was justified. That was the word from the Commander in Chief of the Army and Navy of the United States.

Mr. President, I did not expect to speak so long, but I did desire to make the statement I have made. The rivers and harbors bill now pending in the House includes an item for the Florida ship canal, and provides an authorization. It provides that it first be constructed to the dimensions of a barge canal. The bill, however, seems to be making not too speedy headway in the House. This is a matter of importance. The need for the canal will grow more acute, and therefore I have taken the liberty of following the course pursued by the able Senator from Michigan [Mr. BROWN] in securing the enlargement of the Soo Canal, which is necessary to the transit of iron ore from the mines to the processing places.

I believe it is necessary to have the Florida ship canal, at least of the dimensions of a barge canal, at the earliest possible time.

Consequently I propose a joint enterprise, the building of a temporary pipe line a distance of 82 miles from the place named, which will result in barges being immediately put to use on the Gulf of Mexico, and in the Atlantic inland waterway, then proceeding with the construction of the canal in due course, until it achieves the dimensions which will be the most favorable and advantageous to the national economy and to the national defense. I apologize to the leader for having taken so much time, and appreciate his patience.

I ask unanimous consent that I may introduce a bill at this time for appropriate reference.

Mr. BARKLEY. May I inquire to what committee the bill will be referred?

The PRESIDING OFFICER. To the Committee on Commerce.

There being no objection, the bill (S. 2426) to promote the national defense and to promptly facilitate and protect the transport of materials needful to the Military Establishment by authorizing the construction and operation of pipe line and waterway facilities across northern Florida between the intracoastal waterways along the Gulf of Mexico and the Atlantic seaboard, was read twice by its title and referred to the Committee on Commerce.

RELIEF OF CERTAIN DISBURSING OFFICERS

Mr. ELLENDER. Mr. President, yesterday, when we were considering bills on the calendar, and House bill 6328, for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department, was reached, I inadvertently overlooked an amendment which I desired to propose to the bill, and the bill was passed. I now enter a motion to reconsider the vote on the passage of the bill and ask that the House be requested to return the bill to the Senate. When it reaches the Senate,

I shall then propose the amendment I have in mind.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

LETTER FROM THE PRESIDENT TO MEMBERS OF UNITED STATES EXPEDITIONARY FORCES

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to members of the American Expeditionary Forces by the President of the United States, together with an article published in the Washington Star today in which the letter is embodied.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

[From the Washington Star of March 31, 1942]

"NATION BEHIND YOU." ROOSEVELT PLEDGES TROOPS ABROAD—PRESIDENT'S LETTER GOES TO SOLDIERS, MARINES IN FOREIGN SERVICE

Describing the enemies of freedom as more tyrannical and more arrogant than ever before, President Roosevelt has pledged to each member of America's armed forces in foreign service the whole force and power of this Nation in their support.

The Commander in Chief's message of confidence and promise of unqualified backing is contained in letters being distributed by the War Department to every soldier abroad and by the Navy Department to every marine on foreign duty.

Releasing the texts of the letters, which are identical except for salutation and the first sentence, the White House explained this morning that the message is not going to Navy personnel, since they are not permanently based at any point outside of American waters.

The letter was drafted in mid-February and already has been distributed to men in North Ireland, Australia, and other foreign stations. In most cases it has been given to soldiers or marines as they embarked from the United States.

The Presidential messages are on a White House letterhead and carry a facsimile signature of the Chief Executive.

Presidential Secretary Stephen Early said he thought President Wilson had sent a communication along the same lines to members of the American Expeditionary Forces in the last war.

Text of the letter addressed to members of the Army expeditionary forces follows:

To Members of the United States Expeditionary Forces:

You are soldiers of the United States Army.

You have embarked for distant places where the war is being fought.

Upon the outcome depends the freedom of your lives, the freedom of the lives of those you love—your fellow citizens—your people.

Never were enemies of freedom more tyrannical, more arrogant.

Yours is a God-fearing, proud, courageous people, which throughout its history has put its freedom under God before all other purposes.

We who stay at home have our duties to perform—duties owed in many parts to you—you will be supported by the whole force and power of this Nation. The victory you win will be victory of all the people—common to them all.

You bear with you the hope and confidence, the gratitude and prayer of your families and your fellow citizens and your President.

FRANKLIN D. ROOSEVELT.

The letter addressed to the marines has an appropriately different salutation and begins: "You are a member of the armed forces of the United States."

From here on this letter is identical with that sent to Army personnel.

PAY AND ALLOWANCES OF CERTAIN PERSONNEL—LETTER FROM SENATOR DOWNEY

Mr. JOHNSON of Colorado. Mr. President, yesterday when we were considering the readjusted pay bill, Senate bill 2025, the junior Senator from California [Mr. DOWNEY] was not able to be present. He is a member of the Committee on Military Affairs, and was a member of the subcommittee which considered the bill. He was much interested in it, and gave generously of his time to the consideration of the bill. I received a letter from the Senator from California today which I ask to have read by the clerk at this point.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
March 30, 1942.

Hon. EDWIN C. JOHNSON,
United States Senate,
Washington, D. C.

DEAR SENATOR JOHNSON: We have before us a bill to raise the base pay of the men in our armed services. We have, at long last, an opportunity to make amends for the negligent treatment we have accorded the defenders of this Nation. I hope we shall take such full and prompt advantage of that opportunity as will atone, at least in part, for our previous parsimony.

I hope, too, that our passage of this bill will put an end to the deplorable attempts of some labor baiters to use our low Army pay schedules as a weapon against civilian workers. In the press and on the radio, they have railed against our paying aircraft laborers \$150 a month while giving our draftees only \$21. All their righteous emotion has been expended—not, mind you, in protesting the \$21 for soldiers, but in angrily assailing the \$150 for civilians. Their real purpose in posing the question seems to have been less to aid the soldier than to embarrass labor. They have, in short, failed to see that the prime requisite of the moment is not to deprive the citizen of a decent wage, but to make sure the soldier gets one too.

Let me amplify that point. I think the only firm base for our war-pay policy must be that a skilled worker—military or civilian—shall receive a decent compensation for his services. We are at last giving most of our civilian employees a fair wage; we have not yet done the same for our selectees. But that is not an argument for slicing the pay checks of civilians or wildly accusing them of selfishness. It is, rather, a compelling reason for raising military pay to their level. For our soldiers and sailors are surely as valuable, surely as skilled in their own trade, and surely as deserving as the men on the assembly line. And they should be paid accordingly.

They do not, it is true, need to be paid as much as civilians—in cash. For example, it is estimated that, in food, shelter, clothing, medical services, and such, we are giving each soldier the equivalent of about \$70 a month. If now, by the terms of this bill, we give additionally to a first-class private a salary of \$42 a month, we will have raised his pay to an actual civilian value of \$112 a month.

I do not pretend that I think this will be enough. I would like to see a still ampler allotment. But I do feel that this raise will constitute a long, sure step in the right direction.

There will, inevitably, be some to say that we cannot put a price on patriotism, and some who will use that resounding platitude to excuse our conducting a kind of military sweat-shop. They will say: "Since we owe anyone who risks his life for us an incalculable debt, it is useless to try to compute it in mere dollars and cents." Throwing up their hands in convenient despair, they will resign themselves—and our soldiers and sailors—to the status quo.

I say this is nonsense. We do owe a great debt to all our young men in the armed forces which we may never be able to pay in full. But we must pay what we can. At the very least, we must assure them that we do not regard them as cheap, forced labor, as outcasts from the American standard of living, as entitled only to the wage of a one-armed ditch digger. At the very least, we must give them a self-respecting reward for work well done in the service of the Nation. At the very least, we must give them the pay schedule set forth in the measure before us.

Sincerely,

SHERIDAN DOWNEY.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate a message from the President of the United States, nominating Stephen W. Brennan, of New York, to be United States district judge for the Northern District of New York, vice Frank Cooper, retired, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will read the nominations on the calendar.

REGISTERS OF LAND OFFICES

The legislative clerk proceeded to read sundry nominations of registers of land offices.

Mr. BARKLEY. I ask that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk read sundry nominations in the Navy.

Mr. BARKLEY. I ask that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. BARKLEY. I ask unanimous consent that the President be immediately notified of all confirmations today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 1, 1942, at 12 o'clock noon.

NOMINATION

Executive nomination received by the Senate March 31 (legislative day of March 30), 1942:

UNITED STATES DISTRICT JUDGE

Stephen W. Brennan, of New York, to be United States district judge for the northern district of New York, vice Hon. Frank Cooper, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 31 (legislative day of March 30), 1942:

REGISTERS OF LAND OFFICES

Ellis Purlee to be register of the land office at Sacramento, Calif.

Thomas F. Corbally to be register of the land office at Great Falls, Mont.

Theodore Wanerus to be register of the land office at Buffalo, Wyo.

William G. Johnson to be register of the land office at Cheyenne, Wyo.

POSTMASTERS

IOWA

Ida D. McCauley, Lucas.

Vivian A. Meredith, Norway.

Ida E. Heffernan, Peosta.

Martin S. Copenhaver, Ralston.

Oscar G. Sharp, Seymour.

LOUISIANA

Charles C. Collier, Campti.

MICHIGAN

Geraldine E. Fox, Falmouth.

Mildred Irene Asher, Orchard Lake.

William H. Rieckl, Palmer.

MINNESOTA

Walter M. Brucher, Faribault.

NEBRASKA

Edward L. Kimball, Butte.

NEW MEXICO

Arvil M. Waggoner, Bayard.

Thomas M. Rivera, Hanover.

Fannie E. Stearman, Hurley.

Leon Panebouef, Vaughn.

NEW YORK

Clayton F. Smith, Blue Mountain Lake.

Oakley D. Robinson, Clinton Corners.

Maude E. Rogers, Harpursville.

Edna Agnes Connolly, Montrose.

Charles J. Ryemiller, West Sand Lake.

NORTH DAKOTA

Ernest A. Lewis, Dawson.

Olaf L. Svidal, Starkweather.

VIRGINIA

Ireland M. Baker, Haysl.

Ruth H. Underwood, Meadows of Dan.

Edna E. Dudley Turner, West Graham.

WASHINGTON

Henning E. Johnson, Du Pont.

WEST VIRGINIA

Queenie V. Keagy, Bruneton Mills.

John Speicher, Hopemont.

Herbert A. Frazier, Winfield.

APPOINTMENTS ON RETIRED LIST IN THE NAVY

Martin K. Metcalf to be a rear admiral on the retired list of the Navy, for temporary

service, to rank from March 21, 1942, and to continue during his assignment as Director of Convoys and Routings in the Office of the Chief of Naval Operations, Navy Department.

George S. Bryan to be a rear admiral on the retired list of the Navy, for temporary service, to rank from March 21, 1942, and to continue during his assignment as hydrographer in the Navy Department.

William O. Spears to be a rear admiral on the retired list of the Navy, for temporary service, to rank from March 21, 1942, and to continue during his assignment as Director, Pan-American Division, in the Office of the Chief of Naval Operations, Navy Department.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 31, 1942

The House met at 12 o'clock noon and was called to order by the Speaker.

The Reverend Luther J. Holcomb, D. D., pastor of the First Baptist Church of Durant, Okla., offered the following prayer:

Our Heavenly Father, we come to thank Thee for Thy many mercies, and to invoke Thy protection and guidance for all the way of life. Grant us grace to please Thee in all that we think and plan and do. Help us to live in such fellowship with Thee that Thou canst not only dwell in us, but work through us.

We thank Thee for our great President, our Commander in Chief. Hold in Thy holy care his life. We pray for each Member of Congress and all engaged in the sacred task of defending our country. Bless us as a Nation, help us at all times to be true to Thee.

May Thy word be a light unto our path and a lamp to guide all in darkness. Bless the work of this day, fit us for its duties and responsibilities, overrule all of our mistakes, and pardon all our sins. We ask it in the name of Jesus, our blessed Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 639. An act for the relief of Edd Nevins;

H. R. 710. An act for the relief of Martin N. Mayrath;

H. R. 2922. An act for the relief of Albert Edward Whiteside;

H. R. 3091. An act for the relief of Martin J. Price;

H. R. 3722. An act for the relief of Lt. Col. S. W. McIlwain;

H. R. 3732. An act for the relief of Ida Baird;

H. R. 4099. An act for the relief of Onie Martin and Betty Martin;

H. R. 4151. An act to authorize the acquisition by the United States of lands lying between the present boundary of the Naval Air Station, Lakehurst, N. J., and the new boundary of Fort Dix, in the county of Ocean and State of New Jersey;

H. R. 4464. An act for the relief of Henry J. McCloskey;

H. R. 4625. An act for the relief of Karl K. Wilkes;

H. R. 4955. An act for the relief of Geoffrey Orme;

H. R. 5069. An act for the relief of George Gargavy;

H. R. 5363. An act for the relief of Johnston-Hall Hospital, Calhoun, Ga., and Dr. Z. V. Johnston, Calhoun, Ga.;

H. R. 5452. An act for the relief of Emmett Armstrong;

H. R. 5500. An act for the relief of the estate of Charles L. Clark;

H. R. 5504. An act for the relief of H. J. Abney;

H. R. 5559. An act for the relief of William Horsman;

H. R. 5576. An act for the relief of A. L. Freeman;

H. R. 5652. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of certain disbursing officers, and for other purposes;

H. R. 5686. An act for the relief of Lewis J. and Mary Black;

H. R. 5686. An act for the relief of the city of Atlanta, Ga.;

H. R. 5977. An act for the relief of Mr. and Mrs. F. Wilder Temple;

H. R. 6023. An act to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States;

H. R. 6273. An act to amend the provisions of the Internal Revenue Code by setting new maximum limits on allowances for losses of distilled spirits by leakage or evaporation while in internal revenue bonded warehouses, and for other purposes;

H. R. 6328. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

H. R. 6360. An act to amend the act known as the Perishable Agricultural Commodities Act, 1930 (46 Stat. 831), approved June 10, 1930, as amended;

H. R. 6387. An act to extend the crediting of military service under the Railroad Retirement Acts, and for other purposes;

H. R. 6440. An act to authorize the renewal of the lease of the old naval hospital in the District of Columbia for an additional period of 15 years; and

H. R. 6714. An act for the relief of Daniel Elliott and Helen Elliott.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1541. An act for the relief of Jacques Hallpern, Max Hallpern, and Sally Hallpern Zaharia;

H. R. 2192. An act authorizing and directing the Secretary of the Treasury to reimburse Carrol D. Ward for the losses sustained by him by reason of the negligence of an employee of the Civilian Conservation Corps;

H. R. 4092. An act for the relief of E. P. Corley;

H. R. 4657. An act for the relief of Floyd P. Moritzky;

H. R. 4869. An act to provide for longevity credit for enlisted men of the Naval and Marine Corps Reserve, and for other purposes;

H. R. 5075. An act to create a Recreational Board for the District of Columbia, to define its duties, and for other purposes; and

H. R. 5887. An act for the relief of Howard L. Miller.

ADJOURNMENT OVER

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourns on Thursday it adjourn to meet the following Monday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE WAR EFFORT

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. POAGE. Mr. Speaker, so far as I can recall, history mentions but one man who was able to stop the sun and the march of time. That man was Joshua. Some Members of the Congress of the United States, however, seem to be under the impression that this is a body of Joshuas and that we can stop the movement of time and hold the war in abeyance while we take recesses, postponements, or simply fail to act on matters that are of importance to this Nation. I believe this to be a mistaken policy. We cannot stop this war until we prepare ourselves to win it. We cannot stop it simply by doing nothing. To stop the war we must win it. The only way to win it is to get all-out production. We are not getting that now. There are many factors involved. Some of them relate to wages, profits, hours, and so forth. Congress must act at the earliest possible moment to assure uninterrupted work for as many hours as may be needed. We should also curb unwarranted profits. This action will be possible as quickly as the Committee on Naval Affairs brings a report into this House on the Vinson and Smith bills. For the moment the responsibility rests on the committee, but as soon as they act this House must realize that we do not have the power of Joshua. We are just ordinary humans and we must work to win the war. Congress must work just like all other Americans. Many of us have said, "You can't whip Hitler with a 40-hour week." Neither can Congress lick the Japs with a series of 3-day recesses. I expect to be on this floor the day the Smith and Vinson bills are reported. I hope the committees will expedite their hearings.

[Here the gavel fell.]

THE POSITIVE OUTLOOK

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SNYDER. Mr. Speaker, in looking over the CONGRESSIONAL RECORD last night my wife and I, for about 3 hours, checked up what had been said in the last 2 weeks. We found so many complaints and people talking about the wrongs. We found so few speaking about the good things that had been done by the administration, by the War Department, by the Navy Department, and by the Congress.

Both of my grandmothers were in my home a great deal when I was a boy, and

I remember they always used to tell me you could catch more flies with honey than with vinegar. That thing has stuck with me. We can get more war production by positive commendation than by negative condemnation.

I am most gratified when I think of the marvelous things the Army, the Navy, industry, labor, and all the agencies of the Government have done since Pearl Harbor. I marvel at the many wonderful things we have done in such a short time. Never before has a nation done so much constructive work in such a short time.

PROBLEMS OF THE OIL INDUSTRY

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include letters from Mr. J. Barton Hutchins of the Oil Producers Agency of California and two editorials.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I am inserting in the RECORD today a couple of editorials from California papers and some correspondence from J. Barton Hutchins, of the Oil Producers Agency, having to do with the depletion credit requested by Mr. Morgenthau. Such a cut now is not only going to affect the oil industry but it will affect the lumber industry, mining, and many other industries important to our Government's war effort. The matters discussed in these letters and editorials would be important even in peacetime, but are much more so in wartime. It is a matter of policy very important to these industries, and I hope every Member of the House will read these articles.

(The matter referred to follows:)

J. BARTON HUTCHINS,

Los Angeles, Calif., March 10, 1942.

Hon. LELAND MERRITT FORD,

House Office Building,

Washington, D. C.

DEAR MR. CONGRESSMAN: We have the pleasure of enclosing herewith a clipping of Mr. Carl S. Kely's column from the March 7, 1942 edition of the Los Angeles Examiner.

The matter of depletion has been before you many times, but it is interesting to note that a financial editor of one of our large metropolitan papers, such as Mr. Kely, senses the significance of the danger in the present issue.

California now must supply all the petroleum requirements for the battle of the Pacific. It is, therefore, important that the stripper wells be encouraged to continue to produce and that new reserves be discovered. At the present time it is not a matter of profits of which we speak. Under the increasing burdens thrust upon all industry, it is a matter of retaining for the oil industry their only tool with which to enable them to wildcard and to discover new reserves, and to prevent the premature abandonment of stripper wells.

The bill to eliminate or reduce the 27½ percent discovery depletion factor is scheduled to be heard before the House Ways and Means Committee on March 23 and 24. On behalf of our war effort in the Pacific and in order to enable us to produce a continuous and substantial supply of petroleum products to keep our ships and tanks moving, and our aircraft flying, and our industry rolling, we now respectfully request that as a member of our California congressional delegation, you contact the members of the Ways and Means

Committee and express to them our views, which we hope will be your views.

With every kind regard,

Yours very truly,

BART.

[From the Los Angeles Examiner of March 7, 1942]

DEPLETION CREDIT CUT HAZARDS OIL INDUSTRY (By Carl S. Kely, financial editor)

Declared by oil men a most serious threat to California's petroleum industry is the proposal by the Treasury Department that the statutory percentage depletion allowance in computing income taxes be rescinded or limited to the recovery of cost of any individual property. This allowance, which is granted to all industries producing natural resources, is, in the case of the oil industry, 27½ of the gross (limited to 50 percent of the net) income from producing operations. The hazard applies with equal force to mining operations, now so important to the Pacific Southwest, and on the north coast to lumbering. The Treasury's proposal reflects again the lack of realistic thinking on the part of Washington authorities, which has characterized attitudes and actions respecting business and industry.

The depletion allowance has been challenged by the Treasury Department as a "glaring loophole" (Secretary Morgenthau's metaphor), and as an unfair advantage to the oil industry. Mr. Morgenthau compared it in a recent speech to the depreciation of assets, saying that in the latter case, when costs had been recovered the depreciation was ended, but that the depletion allowance continued for the life of the property, no matter how many times the cost of the particular property had been recovered.

The depletion allowance, however, is not comparable with ordinary depreciation computations. A machine, depreciated at 10 percent per annum, may be replaced. An oil field cannot be replaced except by discovery of an entirely new oil field.

This new discovery may require literally hundreds of unsuccessful wells before the discovery well is drilled. If depletion for the successful well is not allowed, or if depletion is limited to the recovery of cost on the particular well, how is the oil industry to recover its investment in the numbers of unsuccessful wells?

The same thing applies to mining. Money is expended developing hundreds of mining prospects for every mine that returns even the initial cost.

The depletion allowance was originally enacted by Congress as the most practicable method of stimulating discovery of natural resources. It was worked out following the first World War, and after considerable study and investigation, as a method of furnishing incentive to private capital so that additional supplies of needed materials would be sought out and brought into production.

In the succeeding years the economy of the oil industry has been built around the depletion allowance. A change at this time would require a complete revamping of the industry's economics. It would make higher prices mandatory for the industry if costs of exploration and development were to be recoverable.

Incentive to additional production at this time in the midst of war with its unbelievable drain on natural resources should be a foremost consideration of the Government. For example, the California oil industry is now almost the only source of supply for the United Nations in the Pacific. Japan has cut off foreign sources of supply and shortage of transportation facilities renders other domestic sources of doubtful value.

That being the case, California's production of oil—fuel oil for the Navy, aviation gasoline for the air force, lubricants for all forces, and fuels and lubricants for war in-

dustries—assumes an importance hardly possible of overestimation.

In particular, fuel oil is of extreme importance, and the crudes from which fuel oil is most readily obtained are in general produced by old, settled fields of many years' standing. These fields find the economic situation hard to cope with at the present time. They are high-cost fields; their crudes bring low prices, and those low prices are fixed by the Office of Price Administration.

If the Office of Price Administration keeps prices down, and the Congress removes the depletion allowance, most of the old producing wells in the State will be forced to close down.

A commonplace in the oil business is that, insofar as marginal or stripper wells are concerned, the depletion allowance is the difference between ability to operate and absolute inability to carry on.

J. BARTON HUTCHINS,

Los Angeles, Calif., March 12, 1942.

HON. LELAND MERRITT FORD,

House Office Building, Washington, D. C.

DEAR MR. CONGRESSMAN: Once again we bring to your attention the matter of protecting California oil fields in order that they may do their part in winning this war. Mr. Carl S. Kelty, financial editor of the Los Angeles Examiner, again discusses depletion allowance in his editorial column under date of March 10, 1942. We enclose a copy of his comments.

For the United Nations to have lost their source of supply of rubber and oil in the east was one matter—this happened on foreign soil. Our industry, our State, and our Nation are giving physical protection to our oil fields in California against external attack. For a few uninformed or misinformed governmental officials in Washington to unwittingly destroy these vital oil fields by the elimination of the 27½-percent depletion allowance under present conditions, presents a serious matter.

The record which has been made in the past before your honorable body has shown that the 27½-percent depletion allowance has been good for 2 objectives, to wit: (1) To allow the continued existence and productivity of stripper wells, of which there are some 11,000 in California; (2) to allow further discoveries of new sources of reserves. Now, if never before, the above two items are more important to the entire Nation than they ever have been.

We sincerely hope that you will contact the members of the House Ways and Means Committee before March 23 and 24 and give them to understand in no uncertain terms that "oil is ammunition," and such ammunition in the Pacific theater of war must come from California. Our stripper wells must not be prematurely abandoned and new reserves must be found. The people of the Pacific coast are depending on you.

Very truly yours,

BART.

[From the Los Angeles Examiner of March 10, 1942]

DEPLETION ALLOWANCE INCENTIVE TO DISCOVERY (By Carl S. Kelty, financial editor)

As stated in a preceding discussion in this space, the Treasury Department, in recommending new income-tax proposals to Congress, has demanded that the depletion allowance of 27½ percent to producers of natural resources, such as petroleum, minerals, and timber, be restricted to the amount of the original investment in each individual property. This depletion allowance was worked out by Congress more than 20 years ago on showings that for each successful venture in developing oil and mineral producers hundreds of such ventures fail. The principal purpose of the depletion allowance was to

encourage discovery and production. The Oil Producers' Agency, Los Angeles, received a telegram yesterday stating the Ways and Means Committee of Congress would hold a hearing March 23 and 24 on the depletion allowance.

A recent report by a subcommittee of the Petroleum Industry War Council, and approved by the council and Oil Coordinator Ickes, pointed out that the depletion allowance served not only as an incentive to exploration but also was of great weight in the prevention of abandonment of "stripper" wells—those on pump and yielding only a few barrels a day.

The Nation's prime need in war is greater oil production, and the special objective of Coordinator Ickes is to encourage discovery of new oil fields by wildcatting operations. Anything tending to reduce this effort would be harmful.

Mining interests applying to the Reconstruction Finance Corporation for loans to open marginal mines are reported to have advised the Reconstruction Finance Corporation that they will not want such loans if the depletion allowance is removed, since they will then be unable to operate the mines. Further reports say that other mining interests have notified the Government that they are holding up all development work pending a clarification of the matter.

Statements credited to the Treasury Department are to the effect that it is suffering a loss of \$80,000,000 in annual tax revenue because of the allowance. The figure is not disputed.

The point is, How much more than \$80,000,000 would the Treasury lose if the depletion allowance were removed and the oil industry thereby largely taken out of the income-taxpaying brackets? Further, if the removal of the allowance resulted in cessation of new oil discoveries how much tax revenue would be lost to the counties?

From the tax-revenue standpoint, if the depletion allowance results in excess profits to the oil industry, those profits are recaptured by the Government through surtax rates; if the depletion allowance merely permits the oil companies normal profits, its elimination would throw them into deficits and there would be no income-tax revenue.

The principal points in the depletion allowance matter now are that it is an incentive to exploratory efforts; it is a deterrent to abandonment of small wells; it helps spread the cost of the multitudes of "dry holes" over the successful wells; it is not comparable with depreciation, since an oil field is not replaced except by discovery of a completely new oil field; it does not mean the loss of revenue to the Treasury, but, on the contrary, helps to assure the Treasury of revenue from general taxes levied on the oil industry.

Incidentally, all statements herein regarding the oil industry and the depletion allowance also apply to other natural-resource industries, since they also get the allowance.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a radio address I made over the Forum of the Air last evening.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mrs. ROGERS]?

There was no objection.

CONSOLIDATION OF CONGRESSIONAL OFFICE BUILDINGS

Mr. WILSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. WILSON]?

There was no objection.

Mr. WILSON. Mr. Speaker, in today's issue of the Washington Daily News Mr. Cramer's column contains a paragraph entitled "It is a Good Idea But." Mr. Cramer's idea is that we consolidate the offices of Congressmen in one of the two office buildings and use the other office building for war workers. I want to congratulate Mr. Cramer on that idea. I think it is splendid and in keeping with our plea for economy. We should set an example for other departments of government, and see that they follow.

Mr. RANKIN of Mississippi. Will the gentleman yield?

Mr. WILSON. I am sorry, I cannot.

I have also heard that Congressmen are suggesting that the age limit of dependents for income-tax purposes be changed from 18 to 21. May I state to the Members of the House that this would be a scandal second only to the pension grab of the Seventy-seventh Congress.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, I was certainly surprised at the suggestion made by the gentleman from Indiana [Mr. Wilson] that Members of Congress be jammed into one office building, where each Member, with all his office help, would have only one room. The suggestion is ridiculous.

You put a Member of Congress and all his office force into one small room, with no place for the Member to read, study, or confer, and you will be doing a great injury to the legislative branch of our Government.

If we need extra building space to house the various governmental agencies, let the Government take some of the buildings now occupied by commercial establishments here in the city, but let us not do anything that will hamper the Members of the House and Senate in carrying the stupendous burdens that are imposed upon them in these trying times.

If the gentleman from Indiana [Mr. WILSON] has too much office space, I must say he is an exception to the rule, for every Member's office that I know anything about is literally crowded.

Let me say another thing: It is about time that Members of Congress stopped these useless criticisms of the legislative branch of our Government and devote themselves to trying to solve the great problems with which we are now confronted.

It is our duty to try to maintain and sustain representative government, which means democracy, which means liberty for the American people, and not be continuously hampering it by useless criticisms.

There is enough work to do, there are enough issues to discuss, there are enough problems to be solved, to absorb all the energies of every Member of both Houses. If there is anything wrong, let us correct it, but let us not aid the enemies of our form of government by carping criticisms that only tend to discredit Congress and shake the faith of the American people in our form of government.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from this morning's Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. O'CONNOR]?

There was no objection.

Mr. YOUNG. Mr. Speaker, I have two requests. I ask unanimous consent to extend my own remarks in the RECORD by inserting in the Appendix of the RECORD a short statement from a constituent of mine, A. F. Whitney, president of the Brotherhood of Railway Trainmen.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. YOUNG]?

There was no objection.

LET'S CHANGE THIS

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. YOUNG]?

There was no objection.

Mr. YOUNG. Mr. Speaker, American people should vigorously condemn the policy and procedure followed by many local draft boards in inducting young men into our armed forces in secrecy and then almost surreptitiously sending these young men from their homes to training camps. It has seemed to me all along that such a policy is dead wrong.

In Toledo and some other localities in my home State on many occasions young men inducted into our armed forces are summoned to draft board offices or the armory, their loved ones compelled to say good-bye to them there, and then these young men in small groups are quietly taken, sometimes through side streets, to the railway station, and there is a silly shush-shush policy regarding the time of their departure.

Relatives are told they should not go to the railway station to see the boys off, and it is made to appear that the hour of departure is a great military secret which should not leak out to Hitler or Hirohito. Local draft boards resorting to these tactics should be repudiated. There is no occasion for secrecy. There is no sense in denying the right of loved ones and admiring friends of inducted soldiers the privilege of public farewells at the railway stations as they leave in response to a grave national duty.

Young Americans inducted into the armed forces of this Nation, instead of being taken from their home cities as if they were being taken to some penal institution, should be marched proudly

down the main street of that city. They are entitled to a roaring send-off. Proud American citizens should have an opportunity to observe and cheer them as they go forth on the first lap of a journey which may take them we know not where.

Furthermore, their loved ones should be informed of the time of departure and they and citizens generally should be welcomed by the local draft boards and Army officers, and arrangements should be made by civic organizations to hire bands and secure American Legion drum corps. The public should be informed of the time and place of departure of these new soldiers. I call for an immediate change from the present policy.

Let us give these young men a roaring and affectionate send-off—acclaim them publicly and wish them Godspeed, happy landings, and a safe return.

EXTENSION OF REMARKS

Mr. PLAUCHÉ. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter received by me from Mrs. Villa Cline, of Lake Charles, La.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. PLAUCHÉ]?

There was no objection.

MICHAEL L. BENEDUM DRILLS FOR WEST VIRGINIA OIL TO SOLVE PETROLEUM PROBLEM

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD and to include a very brief news comment.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, it was the poet Longfellow who said:

Age is opportunity no less than youth itself, though in another dress.

This thought is applicable to Michael L. Benedum, native West Virginian, who, nearing the age of 73, joins with his partner, Joe C. Trees, who is past three score and ten, in sinking test wells on a 200,000-acre lease in my State. They undertake this hazardous task in the hope that oil may be found 5,000 feet below the surface of the earth, which can aid in the solution of the eastern petroleum shortage.

Mr. Benedum, active and with the pioneer spirit still coursing strongly through his veins, has a real desire to aid in winning this war. He understands the serious implications of this oil shortage, which is stated by a staff correspondent of the Christian Science Monitor in the following dispatch of March 23:

Automobile drivers had the necessity for gasoline conservation brought home forcibly to them today with the report by the American Petroleum Institute that for every tanker sunk off the American coasts 100,000 automobile tanks were deprived of fuel.

Sinking of a tanker loaded with fuel oil, it was added, meant the loss of sufficient oil to fire 35,000 domestic oil burners.

Stressing the gasoline shortage on east and west coasts, which resulted in a 20-percent reduction in deliveries to filling stations last Thursday, the Institute reported that stocks of gasoline, heating oil, and residual fuel oil

on the east coast were 7,000,000 barrels less at the middle of March 1942 than at the same period in 1941.

"In the first 2½ months of 1942 east coast inventories dropped 19,000,000 barrels, while in the comparable 1941 period they declined only 5,500,000 barrels," the report added.

Mr. Speaker, I feel my colleagues will desire to read brief news stories which tell of this development. The following is from the Wheeling (W. Va.) News-Register:

DEEP-WELL OIL IN WEST VIRGINIA MAY SOLVE EAST'S PROBLEM

PITTSBURGH, March 27.—Michael L. Benedum and Joe C. Trees, world-famous wildcatters who made multimillion-dollar fortunes prospecting for oil, announced today they are seeking solution to the eastern seaboard petroleum shortage in West Virginia.

Almost at the site where the lifelong oil partners made their first "strike" on \$800 borrowed capital 46 years ago, Benedum and Trees are drilling deep wells on land that virtually is worked out at upper levels.

The area of operations, according to the announcement, is a 200,000-acre lease in five West Virginia counties bordering the Ohio River near Parkersburg. The lease extends through Pleasants, Ritchie, Tyler, Roane, and Wirt Counties.

Although wells in that area now average only about half a barrel a day, the partners believe untapped oil remains in the Oriskany sands, 5,000 to 6,000 feet below surface. One well at Falls Mills is down 4,500 feet and should reach the lower sand within a month, the announcement said.

If successful, the project will be a boon to the oil-starved East, because the lease is close to great consuming markets. The region is well supplied with pipe lines, and oil can be shipped on the Ohio by barge.

Benedum and Trees said approximately \$500,000 is invested so far in the project for geological and geophysical surveys, leases, and drilling operations.

This story appeared in the Elkins, W. Va., Inter-Mountain:

BENEDUM TO PUT TESTS IN NATIVE STATE—KING OF WILDCATTERS DRILLING DEEP TEST WELLS

PITTSBURGH, March 27.—America's No. 1 oil wildcatters, one described by an associate as inspired by sentiment, have begun the drilling of deep test wells on a 200,000-acre lease in West Virginia in an effort to combat the east coast petroleum shortage.

Michael Benedum, a native of the State, and Joe Trees disclosed last night they are staking \$500,000 on their belief that a vast pool of "black gold" lies untapped in the Oriskany sands near the Ohio river in the west-central section of West Virginia.

The idea for redeveloping the field resulted from the gasoline shortage in the east last year, and the work was further spurred by recent tanker sinkings and the increased demand for oil.

HAS GREAT FORTUNE

Benedum, who claims to have the first dollar he earned and is reputed to have amassed \$70,000,000 more, and Trees brought in the rich Tampico field in Mexico about the time the first World War began, and hope they have equal luck in the present conflict.

A spokesman said about \$400,000 already has been spent for leasing and an additional \$100,000 for test drilling.

The pair drilled their first oil well 46 years ago within gunshot of the No. 1 test operation near Falls Mills, Tyler County, which is now down about 4,500 feet. It will be about 3 weeks before Benedum and Trees learn whether their hunch about the Oriskany sand is right.

My colleagues, these men are patriotic. May success crown their effort in this venture. They think not of monetary reward, but only for the good of our beloved Nation.

EXTENSION OF REMARKS

(Mr. DOMENGEAUX asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial on the Honorable James A. Farley which appeared in the Columbus (Nebr.) Daily Telegram on March 14, 1942. It was written by the Honorable Edgar Howard, a former distinguished Member of this body.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein certain resolutions from various organizations received by me.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article appearing in last night's Star.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent that my colleague the distinguished gentleman from New York [Mr. BARRY] may be permitted to address the House on Thursday next for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INCREASING PAY OF SOLDIERS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I noticed in the paper last night that the Senate has voted to raise the pay of the enlisted and drafted men in the Army. It recalled to my mind that when the conscription bill was before the House I tried to get an amendment adopted providing a base pay of \$50 per month for the drafted men. The amendment was voted down by a small margin.

I sincerely hope that when the action of the Senate is brought to the floor of this House the House will have changed its views as expressed on my amendment and vote to raise the pay of enlisted and

drafted men at least up to the amount fixed by the Senate. As a matter of fact, I think the amount mentioned in my amendment, \$50, should be passed.

[Here the gavel fell.]

FILING OF CONFERENCE REPORT

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that the conferees of the Committee on Public Buildings and Grounds may have until midnight tonight to file a conference report on the bill (H. R. 6483).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. SNYDER] is recognized for 20 minutes.

POST-WAR CONDITIONS

Mr. SNYDER. Mr. Speaker, I should like to invite attention to Senate Joint Resolution 131 introduced by Senator PEPPER on February 3, 1941, and favorably reported by the Senate Committee on Education and Labor on February 17, 1941.

The joint resolution provides for the appointment of a joint committee of the Congress to make a study of war and post-war problems. Its post-war objective, as I remarked here the other day, is next in importance to winning the war.

I was reading a while back the book by Max Werner entitled "In Battle for the World." I was impressed by this quotation therein of the widely known Englishman, Liddell Hart:

In exerting ourselves in war to pursue the aims of our policy we ought never to forget the need of preserving what will be needed to maintain them after the war, and that requires the conservation not only of physical, industrial, and financial strength but of spiritual strength. * * * If you concentrate exclusively on victory, with no thought for the after effect, you may be too exhausted to profit by the peace.

The after effect is a problem to which we must now be looking forward. It is something that we must now be taking steps to cushion—to ward off potential situations that could make victory a very hollow thing, indeed.

Dislocations of industry, of labor, of our normal processes generally must be disturbing to anyone who will pause to reflect upon the enormous readjustment that will need to be accomplished immediately upon the termination of the war.

There will be literally millions of men who will be demobilized in large increments by the armed services. There will be literally millions of men and women engaged in the production of munitions of war of one kind or another, which production will be brought to an abrupt close.

These great hosts of people who will have contributed so largely to the winning of the war will want employment, and they will want employment promptly, and they will be entitled to have employment promptly. What are we of the Congress doing about it?

As everyone here knows, many of our industries—our major industries—will not be able immediately to resume their normal lines of manufacture or production because they have been putting all of their capacity into the production of war goods. They have modified their plants and they have changed their tooling, and possibly their production methods. Besides the private industries, we have the specially built plants, being operated either by private industry or the Government, very many of which, no doubt, will be permanently closed down, and others will have to be adjusted to the production of an entirely different line of products. It would seem to be perfectly obvious that millions of people will be forced to engage in other lines of employment while factories are being restored for normal operations or are being adapted to new lines of manufacture, or until post-war purchasing momentum creates a demand that will justify absorbing the surplus of labor that will ensue from the return to peace.

The solution is not blueprints, it is not an idea in some person's mind, it is not a mere list of projects that can be selected from after the demand for jobs has arisen. The answer, very largely, is worth-while projects previously determined upon and readied to the point where work may start without a moment's delay. I have in mind preferably authorized projects of various kinds that have been held in abeyance primarily because of the war. These would comprise, among others, flood control, rivers and harbors, public roads, and public buildings. I also have in mind the readiness of properly placed employment offices, where information will be available as to the location and nature of works in readiness to be undertaken, and the number and type of help required.

It is vital, my friends, that we prepare in such ways. Do not entertain the idea that the Federal Government will not have to return to the provision of jobs following the war. It is the only answer to the labor problem we shall be faced with during the transition from war to peace pursuits and until there can be an absorption of employable labor by industry as it gradually becomes readjusted.

I urge, my friends, with all of the force at my command that we enact without delay the Pepper resolution or take some other definite step looking to the avoidance of the chaos and unrest and discontent that will ensue following the war if provision has not been made previously to provide a means of livelihood for those who will want jobs and who will be entitled to jobs.

I am not in favor of a planning committee. I want a committee that actually will build up a backlog of worth-while projects, that will see that the projects are readied to the starting point, that they are properly dispersed, and that means will be available for getting the laid-off workers and the demobilized soldiers and sailors to the jobs.

Such a committee should be required to report progress every 3 months. Speed

is of the essence, because the job is a big one and we do not want to be too late, as we have been so often, to meet the demand when it arises, and arise it will.

The joint resolution I referred to follows:

Joint resolution appointing a joint committee of the Congress to make a study of war and post-war problems

Whereas it is apparent that the World War and the tremendous dislocations in the domestic and world economy and trade will present serious unemployment, industrial, trade, and fiscal problems; and

Whereas it is essential that the Congress, the Government, and the country be aware of such problems, so that most appropriate and proper measures to meet them may be prepared: Now, therefore, be it

Resolved, etc., That a joint committee of the Senate and House of Representatives, to be composed of five Senators to be appointed by the Vice President, and five Members of the House of Representatives, to be appointed by the Speaker, is hereby authorized and directed to study, survey, and investigate unemployment and relief problems, and cases of dislocation, and problems appearing in our economy, trade, and fiscal affairs in the United States arising, or likely to arise, out of disturbed world conditions, the defense program, and the conditions attending the post-war period. Such committee shall be authorized to act in concert, or cooperation, with any other committee of the Congress having similar objectives, or with any committee appointed by the President, or with any administrative agencies of the Government. It shall be the duty of the committee to collect such data as will be in the public interest and of benefit to the Congress. The committee shall begin its study, survey, and investigation as soon as practicable, and shall continue such study, survey, and investigation expeditiously and with all possible dispatch, and shall at such times as it may see fit, or either House of the Congress may require, report to either House of the Congress any recommendations it may have for legislation.

SEC. 2. For the purposes of this joint resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of either House of the Congress, during the Seventy-seventh and succeeding Congresses, to employ such experts, and clerical, stenographic, and other assistants, to require by subpoena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expense of the committee, which shall not exceed \$25,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. PITTENGER. I was very much interested in the gentleman's remarks, and I think he is dealing with a most important subject. I would like to make an observation upon it.

Mr. SNYDER. I shall be glad to have the gentleman's observation.

Mr. PITTENGER. There is now pending before the House of Representatives the omnibus rivers and harbors bill, a bill

that has been considered by the Committee on Rivers and Harbors of this Congress, a bill that contains numerous projects, a bill which, in my opinion, will do more, if we get busy and pass it, to prepare a backlog of employment for our post-war period than any other measure now pending in Congress. I wish to congratulate the gentleman on taking the position he does that such preparation for the post-war period is a most important matter and the House can do nothing that will be of more benefit to the American people than to pass the omnibus rivers and harbors bill. In spite of all the misrepresentation, in spite of all the misinformation that has been spread about it, Congress will do something worthy of itself if it will follow such a line of procedure.

EXTENSION OF REMARKS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

APPOINTMENT OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair desires to make a short statement.

As we have no legislative program, as we all know, for this week, and will have none for the next week, and being a little hungry for the touch of some friendly hands in another section of the country and for some Texas sunshine, it is my purpose to leave Washington on tomorrow. As the House will be in session at times during this period and there must be an acting Speaker, the Chair recognizes the gentleman from Tennessee to offer a resolution.

Mr. COOPER. Mr. Speaker, I offer a resolution (H. Res. 467) for immediate consideration.

The Clerk read as follows:

Resolved, That Hon. E. E. Cox, a Representative from the State of Georgia, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker; and be it further

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. E. E. Cox as Speaker pro tempore during the absence of the Speaker.

Mr. MICHENER. Mr. Speaker, I am sure I express the sentiment of all those on this side of the aisle when I say that it is our hope that when the Speaker goes back home all those hands to which he refers may be friendly and appreciative hands; and that his constituents who send him here will appreciate the splendid job he is doing as Speaker in view of the difficult job with which he is confronted.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

(Mr. PITTENGER asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and include therein

the joint resolution I referred to in the remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DUTIES OF THE CONGRESS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEEFE. Mr. Speaker, it has always been my idea that Members of Congress are elected in order that the people of their respective districts might have a voice in government. In our constitutional scheme of government all Members of the House of Representatives and one-third of the membership of the Senate are required to submit their respective candidacies to their constituents every 2 years. This very wise provision enables the people to place in the Congress men and women who will truly represent the people. The Congress of the United States is the people's forum through which the Representatives and Senators representing them may crystallize the people's demand for legislation. Any Representative in the Congress who willfully fails or refuses to represent the people and who by his acts and conduct represents only himself or special groups cannot hope to achieve long tenure of office in the Congress. After all is said, the people through the exercise of their sovereign right of franchise can determine the character of men and women that shall represent them in the Congress. The Nation today is engaged in a war, the outcome of which will determine the future course of our Nation and of civilization itself. We are engaged in a war on many fronts, and our armed forces are engaging the enemy throughout the world. We have no time to engage in domestic warfare or in promulgating any theories or social experiments that do not directly contribute to the war effort.

There are some individuals in America, however, who seem to think that this is a war of one political party. I am pleased to note that most Americans, regardless of political affiliation, denounce any such contention. I am convinced that every honest American, regardless of prior feeling with regard to our international or domestic problems, is now determined on one simple course of action, namely, to exert every effort and to make every sacrifice reasonably necessary to insure ultimate and final victory in our war effort.

Unfortunately, there are still those who seem to believe that the great mass of citizens who opposed the foreign policy of the administration are unfitted to render effective service in the Government for the promotion of the war effort. Such individuals, in my judgment, are rendering a great disservice to the Nation. There was room for honest disagreement among reasonable men and women before Pearl Harbor. There is room for constructive criticism and helpful suggestions now that we are at war. But

there is no room for purely political sniping and mud slinging, and distortion of truth and facts for political purposes. Such efforts serve only to promote disunity rather than to achieve the united effort that is necessary to win this war. Many Members of Congress are constantly being subjected to pleas for unity, while at the same time politically inspired editors and commentators continue to make nasty slurs and charges against Members of Congress who have had the courage to vote not only their honest convictions, but also the overwhelming will of those whom they represent.

Take the case of Charles E. Broughton, editor of the Sheboygan Press, of Sheboygan, Wis., and former Democratic national committeeman from that State. I have known Mr. Broughton for many years and, although in disagreement with much of his political philosophy, I would be the last person to question his personal honor, integrity, or Americanism. To me, he presents a strange paradox. Judged by usual standards, he has been and is a successful editor. He has made money. He has achieved a place of prominence in the Democratic Party. He has controlled patronage. In the ordinary affairs of life and in his dealings with his fellow men he has achieved a fine reputation for charity. He has been quick to aid the underprivileged. He is zealous in protecting and promoting the rights and interests of his fellow citizens in the community in which he lives. He has repeatedly sponsored civic projects for the betterment of his community. He is amiable and likeable and personally has many friends. He has played a prominent part in fraternal organizations. He has used his editorial prerogatives to fight racial and religious intolerance.

The strange thing about this gentleman, however, is that despite all these most admirable qualities, in political matters, he is the most intolerant individual I have ever known. While calm and dispassionate in his editorial appraisal in the ordinary affairs and problems of life, in matters involving disagreement over New Deal policies he is utterly and completely irreconcilable. He controls the editorial policy of a large newspaper and can publish what he pleases and deny publication in his paper of any item he pleases. I do not enjoy that privilege or distinction. He can publish editorials in his paper every day. They are read by thousands of people. It does not personally cost him a single penny. He has the power to attempt to destroy character if he so pleases and can promote unity or disunity as the case may be. I fully realize the handicap that confronts any individual who is constantly attacked editorially by such a violently partisan editor. I know full well that he will continue to attack and besmirch me as he has consistently done in the past.

The people who read his editorial columns, however, are entitled to know the facts.

Twice the people of the Sixth Congressional District have elected me as their

Representative in the Congress. They so voted in the face of the fact that Editor Broughton has used every means at his command to destroy that public confidence. I have worked hard to merit that confidence and deeply appreciate the hundreds of letters which I have received from people in my district containing continued expressions of confidence.

Faced with rapidly mounting and growing upsurge of feeling against the policies which he has advocated, Mr. Broughton is now apparently desperate. He has now abandoned all pretense of being just, tolerant, and fair, and in his continued attacks upon me, has slipped into the editorial gutter and comes forth throwing columns of editorial mud. I shall not attempt a reply in that manner. Such technique is most frequently a boomerang.

Let me calmly and dispassionately review some facts.

At the election of 1936, I was a candidate for Congress on the Republican ticket. Mr. Broughton and his paper opposed my election. I was defeated by the Democratic incumbent by a very narrow margin. It is to be noted that my Democratic predecessor in office had constant access to the columns of the Sheboygan Press and reams of material were printed in reference to his activities during the campaign and during the session of the Seventy-fifth Congress following. I accepted the verdict of the people without whimpering.

In the election of 1938 I was again a candidate. In this campaign Mr. Broughton and his paper vigorously opposed me on all fronts. I was constantly smeared and belittled. The people elected me by a very substantial majority of all votes cast. Realizing that during the heat of a political campaign many things are sometimes said which otherwise might have been left unsaid, I made it a point to visit Sheboygan and to sit down and talk with Mr. Broughton. He advised me then that I had been fairly elected and that he would cooperate with me in every way in the effective discharge of my duties as a Member of Congress. The cooperation which I have received is well known to the people of the Sixth Congressional District. It is enough to say that as to me Mr. Broughton has adopted the motto: "If I cannot speak ill of my Congressman I will not speak of him at all."

In the campaign of 1940 the people of the Sixth Congressional District, with full knowledge of my attitude on international questions, reelected me to the Congress by a greatly increased majority. In this campaign my friend again resorted to all of the editorial trickery that could be thought up in opposition to my candidacy. My opponents in that election conducted a clean campaign.

Another campaign is approaching and the intemperate and intolerant attitude of my friend is displayed clearly in the open. He has completely forgotten his editorial pleas for unity and is busily engaged in a campaign of hate and vituperation, having for its purpose inflaming public opinion. Still smarting

from the results of the last two campaigns, my editor friend has started early this year.

On January 6, 1942, Mr. Broughton published an editorial in which he quoted with approval an editorial published in the Waupaca County Post, written by its editor, Mr. John Burnham. In this Sheboygan Press editorial Mr. Broughton, among other things, said:

We reproduced the editorial from the Waupaca County Post yesterday because we wanted our readers to know the facts so ably stressed by that publication.

In the Burnham editorial the following statement was made:

"There they stand—JOSHUA JOHNS, of Algoma; FRANK KEEFE, of Oshkosh; THILL; SMITH; MURRAY; STEVENSON—the men who sat in pompous ignorance and said they would not vote a penny until we are invaded—perhaps meaning until Wisconsin is invaded."

That was one of the facts which Editor Broughton wanted his readers to know. This editorial, in effect, charged that the entire delegation from Wisconsin in the Congress, with the exception of the lone Democratic Representative, had refused to vote a penny for national defense until this Nation was invaded by the attack on Pearl Harbor.

This editorial was so palpably unfair that I immediately wrote the editor of the Sheboygan Press as follows:

HON. CHARLES E. BROUGHTON,
Editor, Sheboygan Press,
Sheboygan, Wis.

MY DEAR MR. BROUGHTON: On Tuesday, January 6, you published an editorial entitled "A Late Awakening."

In this editorial you quote from and refer to an editorial published in the Waupaca County Post written by Mr. John Burnham. I do not question your right to do this. I do question the propriety of such an editorial in these critical times. There is perfect unity of purpose existing in the Nation at this time, and your editorial can serve no useful purpose except to stimulate disunity.

I cannot fathom the processes of John Burnham's mind. Some light might be thrown on the subject, however, when it is known that he was one of the active members of the League for World Peace and Democracy, which was definitely shown by the Dies committee to be the outstanding subversive group in this country, and which voluntarily disbanded when the facts with relation to its subversive character were disclosed. It seems rather queer that Mr. Burnham would attend meetings of this so-called League for World Peace and Democracy here in Washington and participate in its avowed Communist purpose and suddenly become so warlike in his present attitude.

In the editorial which you quote with approval it is stated: "There they stand—JOSHUA JOHNS of Algoma, FRANK KEEFE of Oshkosh, THILL, SMITH, MURRAY, STEVENSON—the men who sat in pompous ignorance and said they would not vote a penny until we are invaded, perhaps meaning until Wisconsin is invaded." I have before me the complete record of my votes on all legislation providing funds for national defense. I voted against lease-lend appropriations. I voted against an appropriation to build two 45,000-ton battleships, but did support an amendment to transfer these funds for the construction of bombers and fighting planes. I voted for all other appropriations to provide for our national defense amounting to over \$50,000,000,000.

It therefore would seem that simple editorial honesty and integrity, which I know you possess, should not permit your approval of the statement contained in the Burnham editorial which I have quoted above.

I do not intend to engage in any acrimonious discussion. It would seem to me that sound editorials should be based upon facts and not palpable falsehoods.

If you are disposed to publish the truth, I shall be pleased to furnish you a compilation of the votes upon every national defense appropriation.

Mr. Broughton wired me, under date of January 14, as follows:

Will be very happy to publish compiled figures on your defense vote.

On January 15, 1942, I wrote Mr. Broughton as follows:

Mr. CHARLES E. BROUGHTON,
Editor, Sheboygan Press,
Sheboygan, Wis.

MY DEAR MR. BROUGHTON: In my letter of January 12, I advised you I would furnish you a record of my votes on national defense appropriation bills.

Your wire indicates your interest and desire to receive this information.

I am enclosing it herewith, and trust that you will see that it receives suitable and proper publicity in response to your editorial of January 6.

Thanking you, I am,
Very respectfully yours.

Thereafter on January 17, 1942, the Sheboygan Press published this letter together with a statement indicating my votes on national defense appropriations.

On February 27, 1942, the Sheboygan Press published an editorial entitled, "You Asked for It, Congressman KEEFE." In this editorial Editor Broughton states:

In the old horse-and-buggy days news did not filter out of Washington as rapidly as it does now, and a man like Congressman KEEFE could keep the people of his district in ignorance a whole year.

The charge is that I have attempted to keep the people of the Sixth Congressional District in ignorance. The thousands of people who have written me in the past 3 years, all of whom have received prompt replies to their letters, know how ridiculous such a charge is. I have never hesitated to keep my campaign pledges and to advise the people I am honored to represent of my position on all public questions.

I have written a weekly news letter which has been sent to every newspaper in my district and to a large number of individuals. In these news letters I have outlined my position with respect to the great public questions coming before the Congress and have asked the people for their opinion and assistance. These letters were sent to the Sheboygan Press regularly each week. This newspaper consistently has refused to publish these letters.

On November 20, 1940, I wrote Editor Broughton, among other things, as follows:

I have had hundreds of requests from Sheboygan to be furnished my weekly news letters which are published in most of the papers during the session of Congress. If you have had occasion to read these letters you may not at all times agree, but I feel that the people whom I represent are entitled to know the views of their Representative in the Congress on the great public questions that are constantly coming up.

In reply to this letter, under date of December 3, 1940, Editor Broughton answered me as follows:

Regarding your letter of November 20, we will be glad to publish anything that concerns your activity in Congress or that regards your appearance on the floor, but political propaganda is barred from this paper.

In view of these facts, I believe it is fair to ask who has been guilty of attempting concealment. The people of the Sixth District well know that my Democratic predecessor had constant access to the columns of the Sheboygan Press. Why the distinction, Mr. Broughton? It will be exceedingly hard for most people to suppress a smile when they read the statement of Editor Broughton quoted above that "political propaganda is barred from this paper."

The simple facts are that I have spoken on national radio time, have made speeches on the floor of Congress, and have sent copies of the same to the people whom I am honored to represent, have made innumerable speeches throughout my district, and have utilized every possible means to let the people of the Sixth District of Wisconsin know my attitude on all public questions. These are simple facts, and the statement in the Sheboygan Press editorial of February 27 just referred to comes with poor grace from Editor Broughton. Many people in Sheboygan County have wondered why the Sheboygan Press has refused to publish the information which I have constantly sent. The answer is perfectly obvious. Editor Broughton has been afraid that the people would know the truth and by his policy has attempted to color or suppress it. The few things that Editor Broughton has published in his paper concerning my activities as a Member of Congress have frequently been so distorted by editorial comment as to make it difficult for the readers to know the truth.

Every citizen knows that every word which is spoken upon the floor of Congress and every vote that is taken is printed in the CONGRESSIONAL RECORD each day and that the galleries are filled with news writers who send the news out to the papers of the country almost as fast as the action takes place on the floor of Congress. The people know how perfectly puerile and silly this statement is in Mr. Broughton's editorial.

In paragraph 2 of his February 27 editorial Mr. Broughton refers to the Wau-paca County Post editorial of January 6, 1942.

Broughton then goes on to state:

Immediately Congressman KEEFE hurled a broadside from Washington, attacked the Press, and in glorified terms pointed to himself as an example to be likened to George Washington, Thomas Jefferson, and other noted men of their time. His big frame shook with pretended anger and under date of January 12 he wrote the editor of the Press.

I have hereinbefore quoted in full my letter which he refers to in this paragraph of the February 27 editorial. This letter is the broadside from Washington referred to by Editor Broughton. This is the letter in which he stated that I pointed to myself in glorified terms as an example to George Washington,

Thomas Jefferson, and so forth. I ask any honest person to again read the letter and indicate where allusion to Washington, Jefferson, or any other noted men is to be found therein. I further ask any honest man to indicate where there is anything in that letter to indicate that "his big frame shook with pretended anger." Here is a perfect illustration of a bigoted editor who, regardless of truths and facts, is determined to use his editorial prerogatives in an attempt to smear and kill politically one with whom he does not agree.

I have this to say: I do keep pictures of Washington, Jefferson, and Lincoln on the walls of my office because I love their records of character, ability, tolerance, and the principles of human liberty for which they stood. I would suggest to Editor Broughton that if he would allow the lives of these great men to inspire his thinking, his political editorials might be more sane and tolerant.

In paragraph 5 of Broughton's February 27 editorial he says:

A wire to Congressman KEEFE brought his so-called defense vote, sworn to as the essence of truth. We accepted it because Mr. KEEFE said in so many words that he never lied. And now see the pickle he is in. According to his own language on January 15, he had never faltered in his aid to Uncle Sam.

What are the facts? In response to Mr. Broughton's wire of January 14 which I have set forth hereinbefore in full, I furnished him a detailed statement of my record on national defense appropriation bills. Among other things I stated in that statement:

I desire to state a fact which is well known to the voters of the Sixth District. I did vote against the lease-lend law and voted against both lease-lend appropriations totaling \$12,985,000,000. In this connection it should be noted that I voted for an amendment to the lease-lend bill which would have made an original outright loan direct to Great Britain and her allies of \$2,000,000,000. This was on the theory that additional loans might subsequently be made upon snowing of necessity without the grant of unlimited power and authority contained in the Lease-Lend Act being given to the Executive. This was a conscientious endeavor to protect the people of the United States and to keep this Nation at peace. I have no apology to make for this vote.

In this statement I then recorded each national defense appropriation bill beginning with the naval appropriation bill passed May 8, 1939, and ending with the appropriation bill for national defense passed December 19, 1941, consisting of 16 different appropriation bills.

Mr. Broughton in his editorial states that my statement was sworn to. This is untrue, as he well knows. I would have been glad to swear to it, however, as it states the truth. He further says that he accepted my statement "because Mr. KEEFE said in so many words that he never lied." How mean and how clever! Nothing of the kind and no implication of the kind can be found in my statement. Again it represents the pure figment of editorial imagination. He further states:

And now see the pickle he is in.

This nasty little statement is intended to make it appear that I have made un-

truthful statements to my constituents and that he, Editor Broughton, has exposed them; thus putting me in a pickle. All I care to say is that such contemptible comment should deserve no answer. I think it is fair to say, however, that, like the pickle, my editor friend has gone sour and because of his political bigotry and intolerance, he, like the pickle he refers to, has shrunk.

He further states in his February 27 editorial that "figures don't lie but that liars figure." I shall not reply in kind. I have altogether too much confidence in the spirit of fair play and decency of the American people and especially those of the sixth congressional district to spend any time answering such a statement.

Let us examine the facts. There were 16 national defense appropriation bills passed by the Congress between May 8, 1939 and December 19, 1941, exclusive of the lease-lend appropriations. I stated that I voted against the naval appropriations bill passed May 8, 1939, and gave my reason. I stated and am still of the same opinion that I could not vote for an appropriation that provided for the construction of 45,000-ton battleships at a cost of \$100,000,000 per ship, and stated then and repeat now that in my opinion those funds could better have been used to build airplanes and bombers.

Of the remaining 15 bills, 3 were passed by a roll-call vote. Twelve were passed by a voice vote. Editor Broughton now contends that, because there was not a roll-call vote on 12 of these bills, I deceived the voters when I stated that I had voted for them. The fact is that the rules of the House of Representatives provide for 3 methods of voting: A voice vote, a standing vote, and a roll-call vote. In any case a Member of Congress indicates whether he is in favor of or in opposition to the pending measure. The obvious reason why no roll call was asked for on the 12 appropriation bills last referred to is because there was no opposition in the House to their passage and to take the time to call the roll would merely have been a waste of time. Roll calls are usually resorted to when there is opposition to a bill, but where as in the case of these 12 measures there was no opposition a roll call was wholly unnecessary. I repeat again that I voted affirmatively for each of those 12 bills by the only method by which I was permitted to vote.

Editor Broughton makes great capital of the fact that as to the War Department regular appropriation bill, passed June 9, 1941, I am not recorded as voting on Roll Call No. 65 and Roll Call No. 66. What are the facts? I am a member of the Appropriations Committee that reports appropriation bills to the House. I voted for this bill in the Appropriations Committee. I knew there was no opposition to the bill, except the possible negative vote of 1 Representative of the American-Labor Party from New York. I was unable to be present on the floor of the House when the votes were taken on this bill. There were 2 roll-call votes. One was on an amendment offered by Representative ENGEL, of Michigan, to prohibit the expenditure of any

of the money appropriated in this bill under a cost-plus-a-fixed-fee contract. I instructed the pair clerk of the House to record my vote in favor of this amendment. The amendment was defeated by a vote of 175 to 179. I was paired with Representative BLOOM, of New York. I was for the amendment. He was against it, and thus our votes were recorded on this roll call. On the final passage of the bill my instructions to the pair clerk were to record me in favor of the bill. On the final passage there were 350 ayes and only 1 nay. Seventy-nine Members were listed as not voting. Because of the fact that there were no Members opposed to the bill with whom I could be paired in favor of the bill, I was paired in a general pair with Representative BLOOM. I voted for this bill in the Appropriations Committee. I gave instructions to the pair clerk to record my vote in favor of this bill in final passage, and the only reason I was not recorded in favor of the bill was because there was only 1 vote in opposition thereto out of the whole membership of the House.

My votes on the repeal of the arms embargo, repeal of the neutrality laws, the draft law and the draft-extension law, and on the lease-lend law are well known to the voters of the Sixth Congressional District. Most of those questions were issues in the last campaign. I shall not enter into any discussion of those votes at this time. I have no apology to make.

We are at war and must have a unified effort and to again stir up the fight on those issues will do nothing but promote national disunity. The declaration of war on December 7 should end that debate. The people will determine whether their Representative misrepresented them on those issues. Loyal Americans, in my judgment, should now devote their energies to winning this war and not become involved in domestic strife here at home.

My editor friend, Broughton, has indicated the course he intends to pursue. He is now even attacking other editors who have attempted to point out the error in his editorial policy. He can continue to approve the experimentation and boondoggling of the New Deal if he so desires. He can continue to soft-pedal the waste and inefficiency of social experimentation. That is his right in a free country. We are at war, however, and I shall devote my efforts to winning it.

The people will meet the issues he has thus raised, and I feel reasonably certain that they will not long countenance such vituperation in the discussion of our common problems. Calling names will not win the war.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 2339. An act to provide for the expeditionary naturalization of former citizens of the United States who have lost United States citizenship through service with the allied forces of the United States during the first or second World War.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 12 o'clock and 35 minutes p. m.), pursuant to the order heretofore adopted, the House adjourned until Thursday, April 2, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

Subcommittee No. 3 of the Committee on the Judiciary will hold hearings on the following bills on Thursday, April 2, 1942, at 10 a. m., room 346, House Office Building:

H. R. 5218, to confer jurisdiction on the United States courts in cases involving work stoppages, and for other purposes;

H. R. 5259 and H. R. 6752, to confer jurisdiction in the United States courts in cases involving work stoppage for illegitimate and nonlabor purposes;

H. R. 6872, to amend the act entitled "An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation," approved June 18, 1934; and

H. R. 6702, to provide for the appointment of a district judge for the northern district of California in order to fill a vacancy in the office of an additional district judge heretofore authorized for such district.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, April 14, 1942. Business to be considered: Hearings along the line of the Sanders bill, H. R. 5497, and other matters connected with the Federal Communications Commission.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1543. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to enable the agencies of the Government to administer certain patents for the best interests of the public, and for other purposes; to the Committee on Patents.

1544. A letter from the Secretary of War, transmitting a draft of a joint resolution exempting from tax the amount paid for admissions to theaters and other activities operated by the War Department or the Navy Department within posts, camps, reservations, and other areas maintained by the Military or Naval Establishments; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TRAYNOR.

H. R. 6885. A bill to aid in the prosecution of the war effort by providing for the temporary suspension of the operation of State laws imposing restrictions with respect to menhaden fishing; to the Committee on the Merchant Marine and Fisheries.

By Mr. SNYDER.

H. R. 6886. A bill to provide for tolls with respect to the use, for commercial navigation, of the improved inland waterways of the United States, for the purpose of reimbursing the United States for expenditures

made in improving such waterways; to the Committee on Interstate and Foreign Commerce.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2637. By Mr. MARTIN of Iowa: Petition of Azalea Welch, Frank W. Worden, Sr., and other citizens of Fort Madison, Iowa, urging the passage of Senate bill 860, providing for the common defense in relation to the sale of alcoholic liquors and providing for the suppression of vice in the vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2638. By Mr. MARTIN of Massachusetts: Petition of William A. Hammond and other residents of Cochrane, Mass., urging enactment of House bill 1036; to the Committee on Ways and Means.

2639. By the SPEAKER: Petition of the president, O. R. E. Red Seal Broadcasting Co., petitioning consideration of their resolution with reference to equality regardless of race, creed, or color; to the Committee on the Judiciary.

SENATE

WEDNESDAY, APRIL 1, 1942

(Legislative day of Monday, March 30, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

Rev. James Shera Montgomery, D. D., Chaplain of the House of Representatives, offered the following prayer:

O Christ of the lonely way, touched with a feeling of our infirmities and harkening to the cry of little children, we pray for the quiet and the balm of Thy holy presence. We wait at Thy footstool, and we beseech Thee to persuade us that, in the sweep of time, Thy glorious truth is revealed through the patient and devout waiting for the will of God—invisible and eternal, creative and everlasting.

Thou who wert the despised and rejected of men, a Man of Sorrows and acquainted with grief, awaken in our souls an aspiration for communion with Thee, preserving us in the midst of urgent duties from fears and from corroding cares. Grant that Thy authority may be enthroned in every walk of life. How strong, how sovereign the manhood which breathed and looked through Thee; and yet how tender Thy full-orbed soul as Thou didst gaze upon human sorrow—like a blessed dawn falling on the hills of time! O throne of Mystery! O throne of Grace! Thou knowest our longings, Thou hast the power for the emancipation of earth. Have mercy, have mercy; and may our Country learn the discipline of chastisement as it passes through its Gethsemane of the future. In our Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 31, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

NOMINATION OF STEPHEN W. BRENNAN—NOTICE OF HEARING

Mr. HUGHES. Mr. President, the Committee on the Judiciary has received the nomination of Stephen W. Brennan, of New York, to be United States district judge, northern district of New York.

As chairman of the subcommittee appointed to consider this nomination, and as required by a rule of the committee, I announce that Thursday, April 9, 1942, at 10:30 a. m., has been set as the time for a hearing in the Judiciary Committee room on this nomination.

THE SILVER PURCHASE ACT

Mr. VANDENBERG. Mr. President, the Secretary of the Treasury has repeatedly recommended the repeal of the Silver Purchase Act. He renewed his recommendation at the last meeting of the Senate Finance Committee dealing with the tax problem. I was very anxious to find out whether the Chairman of the Federal Reserve System continued to join in this recommendation, and I interrogated him upon the subject. I have a letter in reply, in which the Chairman of the Federal Reserve System joins the Secretary of the Treasury in recommending the complete repeal of the Silver Purchase Act. I wish to read the final paragraph of his letter, which is as follows:

In view of the war situation, it is all the more urgent that the inflationary effects of the silver program be removed and that so far as possible the materials, machinery, and labor now devoted to silver production be utilized in the war effort.

I ask that Chairman Eccles' letter be printed in full in connection with my remarks in the body of the RECORD, and that it be referred to the Committee on Banking and Currency.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS,
FEDERAL RESERVE SYSTEM,
Washington, March 30, 1942.

HON. ARTHUR H. VANDENBERG,
United States Senate,
Washington, D. C.

MY DEAR SENATOR VANDENBERG: Because of the many wartime pressures here and also the need to review the silver situation particularly in relation to such agreements as the Government has made or is making with Allied and associated governments, this reply to your letter of March 3 has been delayed.

My own views are generally in accord with those expressed by the Secretary of the Treasury at a press conference last month when he was quoted as favoring repeal of the silver-purchase legislation and as advocating the sale to industry of the silver accumulated by the Treasury during the past 7 years. Likewise, I feel that the points you mention in your letter to me are important ones justifying reconsideration of the silver purchase program at this time with a view to its repeal. I have had no reason to change my own views, which I have publicly expressed for a number of years. I stated before the Special Silver Committee and later before a

banking and currency subcommittee of the Senate in 1939 that "I did not know of anything that tended to destroy ultimately the domestic silver industry as thoroughly as the present silver program."

In view of the war situation, it is all the more urgent that the inflationary effects of the silver program be removed and that so far as possible the materials, machinery, and labor now devoted to silver production be utilized in the war effort.

With kindest personal regards,

Sincerely yours,

M. S. ECCLES, Chairman.

CALL OF THE ROLL

Mr. ELLENDER. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Radcliffe
Andrews	Hayden	Reed
Austin	Herring	Reynolds
Bailey	Hill	Rosier
Ball	Holman	Russell
Barkley	Hughes	Schwartz
Bone	Johnson, Calif.	Shipstead
Brooks	Johnson, Colo.	Smathers
Brown	Kilgore	Smith
Bulow	La Follette	Spencer
Bunker	Langer	Stewart
Butler	Lee	Taft
Byrd	Lucas	Thomas, Idaho
Capper	McCarran	Thomas, Okla.
Caraway	McFarland	Thomas, Utah
Chavez	McKellar	Tobey
Clark, Idaho	McNary	Truman
Clark, Mo.	Maloney	Tunnell
Connally	Maybank	Tydings
Danaher	Mead	Vandenberg
Davis	Millikin	Van Nuys
Doxey	Murdock	Wagner
Ellender	Murray	Walsh
George	Nye	Wheeler
Gerry	O'Daniel	Wiley
Gillette	O'Mahoney	Willis
Glass	Overton	
Green	Pepper	

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Alabama [Mr. BANKHEAD], the Senator from Kentucky [Mr. CHANDLER], the Senator from California [Mr. DOWNEY], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. McNARY. The Senator from Nebraska [Mr. NORRIS] is absent because of illness.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent as a result of an injury and illness.

The Senator from Massachusetts [Mr. LODGE] and the Senator from Maine [Mr. BREWSTER] are necessarily absent.

The Senator from New Jersey [Mr. BARBOUR] is absent on public business.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE OF APPROPRIATION, LEGISLATIVE ESTABLISHMENT

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, Architect of the Capitol, amounting to \$14,197, for the fiscal year 1942 (with an accompanying paper); to the